

صحة من الامم

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Holy Row Breaks Out In Israeli Parliament

Remark on Biblical King David's Mores Causes Modern-Day Trouble for Peres

By Clyde Haberman

JERUSALEM — These are rough times for the biblical King David in his capital, Jerusalem. But because of David and questions about his moral character, times could prove even rougher for the government of Prime Minister Yitzhak Rabin.

The government faces a motion of no-confidence brought by several religious and rightist parties after Foreign Minister Shimon Peres said during a parliamentary debate that he disapproved of some things that King David had done. Specifically, Mr. Peres objected to David's conquest of other peoples and his seduction of a married woman, Bathsheba, whose husband he sent to his death.

Outraged Orthodox lawmakers screamed at the foreign minister. "Shut up!" shouted Avraham Ravitz of the United Torah Judaism party. "You will not give out grades to King David!" A fellow party member, Avraham Verdiger, flew into such an apoplectic rage that he had to be treated for high blood pressure in the Parliament infirmary.

Israeli reporters who cover Parliament said that Mr. Peres apparently had not expected matters to get so out of hand, and he later made a stab at damage control, saying in a statement that he had not intended to denigrate David or hurt anyone's feelings. But the no-confidence motion was already on the table.

Mr. Rabin has not commanded an automatic parliamentary majority in almost a year, and the David dispute will hardly endear him to Shas, the religious party that walked out of his governing coalition and that he is desperately trying to woo back. Without a clear majority, the prime minister has repeatedly said, he feels constrained on the concessions he can make in peace talks with the Palestinians and Syria.

The latest squabbling also underlines the frictions that bedevil relations between secular and religious forces here. Some ardently Orthodox rabbis said on Thursday that they would convene the

Council of Torah Sages to discuss the "deviant behavior" of some cabinet ministers, including Mr. Rabin, who supposedly ate nonkosher food in public on a trip to Japan this week.

It is not the first such dispute.

Last year, Orthodox lawmakers were beside themselves when Yael Dayan, a Labor member and daughter of the late Moshe Dayan, suggested in Parliament that David was gay. She read aloud from 2 Samuel 1:26, in which David mourns the death of Jonathan, son of King Saul. "Very pleasant hast thou been unto me," he says. "Thy love to me was wonderful, passing the love of women."

This time, the fighting began when Mr. Peres defended himself against rightist attacks on the Nobel Peace Prize that he shared last weekend with Mr. Rabin and Yasser Arafat, the Palestinian leader. Offering his definition of Judaism, the foreign minister said it did not include "occupation and ruling over another people."

Shaul Gutman, a member of the far-right Meledet Party, shouted: "Joshua conquered this land, and King David did as well!"

To which Mr. Peres replied: "Not everything that King David did, on the ground, on the roof, is acceptable to a Jew or is something I like." His reference was to Chapter 11 of 2 Samuel, which tells how David watched from his rooftop as the married Bathsheba bathed, and admired her beauty. He seduced her, got her pregnant and sent her husband, Uriah the Hittite, off to a battle in which he intended him to be killed.

Some Orthodox lawmakers called the remarks "a disgrace." In the newspaper Yedioth Ahronoth on Thursday, Rabbi Yohanan Fried, head of the Education Ministry's Torah Culture Department, said David was holy, and therefore "the rabbis say that whoever says that King David sinned does nothing but err."

The final verse of Chapter 11 states unequivocally: "The thing that David had done displeased the Lord."



Major General Ivan Babichev giving assurances Friday to Chechen women who stood in the way of his troops' advance.

General Vows To Advance No Farther In Chechnya

Moscow Is Confronted With Threat of Mutiny By a Top Commander

By Lee Hockstader

GROZNY, Russia — The Russian general who leads a third of the forces ordered to attack the secessionist region of Chechnya said Friday that he would refuse to advance any farther, no matter what orders he received from his superiors.

In an astonishing public display of insubordination, Major General Ivan Babichev said he would not launch an assault on Chechen civilians, a move he said would violate the Russian Constitution. He suggested he was ready to be court-martialed for his decision.

"They can condemn us," the general told hundreds of Chechen civilians and a number of foreign journalists milling about on the road about 40 kilometers (25 miles) west of the Chechen capital, Grozny, where thousands of Russian troops and hundreds of tanks and armored vehicles are deployed. "But we are not going to use tanks against the people."

Middle-aged and elderly Chechen women responded by weeping with joy, embracing the general and patting him on the back. The women, along with several hundred praying and chanting men, have been standing in the middle of the road to keep the Russians at bay for the last several days.

The general's statement, along with similar remarks by a colonel who accompanied him, amounted to the temporary collapse of one of three armored thrusts into Chechnya unleashed by the Russians at dawn Sunday.

It is a further sign that the Russians, who have already encountered political and public opposition at home to their campaign to bring Chechnya to heel, may be wavering in the face of a final, and probably bloody, assault on Grozny.

Of the three armored columns that attacked Chechnya on Sunday, only one, from the north, has closed in on Grozny, despite statements from Moscow that the troops intend to encircle and seal off the city. The column advancing from the east seems to have petered out. General Babichev's force to the west has not budged since Tuesday.

The Kremlin insists that Chechnya, a tiny, mountainous region 1,600 kilometers southeast of Moscow, give up its arms and acknowledge Russia's sovereignty. The Chechens, who have coexisted uneasily with Russia since they were conquered after decades of fighting in the 19th century, declared their independence in 1991 and have refused to recognize Moscow's rule.

President Boris N. Yeltsin has set four deadlines in the last three weeks for the Chechens to lay down their arms. The latest one expires at midnight Saturday. Both sides expressed willingness Friday to resume peace talks. The talks broke off Wednesday.

On the Russian side, Prime Minister Viktor S. Chernomyrdin said Friday that he would meet the Chechen leader, Dzhokhar Dudayev, anywhere Mr. Dudayev

China Gets Draconian on Dissidents Again

Compiled by Our Staff From Dispatches

BEIJING — A Chinese court passed the harshest sentences against political dissidents in several years on Friday, jailing nine people for terms ranging from 3 to 20 years.

The sentences were among the heaviest meted out to political dissidents since the nationwide purge that followed the violent suppression of student-led pro-democracy demonstrations at Tiananmen Square on June 4, 1989.

Most of the 15 were arrested in the summer of 1992 for joining one of three underground dissident groups, writing and printing political leaflets and planning to distribute them before the third anniversary of the June 4 military crackdown.

Robin Munro, the Hong Kong director of Human Rights Watch/Asia, said the sentences were "appalling and severe."

"They were all entirely peaceful dissidents dedicated to working within the law," she said. "The severe level of the sentencing says, 'Don't even think of engaging in even peaceful dissent.'"

She added that the sentences showed that there was no evidence for the argument used by Western governments and businesses that contacts with China and increased economic reform would lead to a better human rights record and greater tolerance for political dissent.

A diplomat said, "Perhaps they are

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Clinton's Budget and Tax Flip-Flop: It's All About a 2d Term

By David E. Rosenbaum

WASHINGTON — For the first two years of his presidency, Bill Clinton insisted that reducing the federal budget deficit was his highest calling. Now he has reversed course.

What is most important is not the details of what he proposed on Thursday night: a variety of tax breaks designed mostly for their political appeal and a seemingly pain-free method of raising the revenue to pay for them.

The Republican Congress is no more likely to adopt this president's budget offerings than the Democrats.

NEWS ANALYSIS

congresses were likely to accept President George Bush's.

Much more significant is what the measures say about how the president is positioning himself ideologically for his next two years in office and his race for re-election.

Rather than try to persuade the public that the deficit is a corrosive force that must be brought under control to keep it from eating away at economic roots, a view held by most economists but few politicians, Mr. Clinton has opted for the course Republicans have followed for years.

For him, as well as for his political opponents, lowering the deficit will play second fiddle to lowering taxes.

The Republicans who will be controlling Congress beginning next year have promised to pass a constitu-

tional amendment requiring a balanced budget by early in the next century, but they have given no indication whatsoever how they intend to accomplish that. Instead, they have emphasized the handsome tax breaks in their script.

Mr. Clinton's proposals are not so generous, but for better or worse, he is on the same stage.

The president's advisers dispute the notion that he has flip-flopped on this issue the way he did, for

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Kiosk U.S. Stations Marines Off the Somali Coast

MILDENHALL AIR BASE, England (WP) — The Pentagon has dispatched several thousand Marines to the waters off Somalia, anticipating a decision by President Bill Clinton soon to provide cover for withdrawing United Nations forces in the next month or two, Defense Secretary William J. Perry said Friday.

Mr. Perry said he had been consulting congressional leaders about the possible involvement of U.S. troops in Somalia and expected the president to make a decision "in the next few days" on whether to use American forces to aid in the evacuation.

"We are getting ourselves in a state of readiness to do this," he said.

U.S. peacekeeping troops pulled out of Somalia in March after a mission that began as a humanitarian effort to facilitate aid deliveries.

Business / Finance

Sony and Philips proposed a new video compact disk system for feature-length movies.

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Dow Jones		Trib Index	
Up	41.72	Up	0.42%
Down	3807.19	Down	112.12
The Dollar			
New York	1.5728	Previous Close	1.5711
DM	1.5605		1.563
Pound	1.00225		1.00385
Yen	5.4235		5.4145
FF			

Newsstand Prices	
Andorra	9.00 FF
Antilles	11.20 FF
Cameroon	1.400 CFA
Cote d'Ivoire	9.00 CFA
Egypt	2.500 L.E.
France	9.00 FF
Gabon	9.00 CFA
Greece	300 Dr.
Italy	2.600 Lire
Ivory Coast	1.120 CFA
Jordan	1.120 JD
Lebanon	1.500 L.L.
Luxembourg	60 L.Fr.
Morocco	12.00 Dirhams
Qatar	8.00 Rials
Reunion	11.20 FF
Saudi Arabia	9.00 R.
Senegal	9.00 CFA
Spain	200 Ptas
Tunisia	1.000 Din.
Turkey	35.000 Liras
U.A.E.	1.50 Dirhams
U.S. (Eur.)	\$1.10

Ailing Mitterrand Consulted Philosopher on 'Afterlife'



President Mitterrand, right, with Prime Minister Berlusconi of Italy on Friday.

By Alan Riding
New York Times Service

PARIS — The conversation was clearly intended to be private, yet it was hardly out of character for President François Mitterrand to visit a devoutly Catholic French philosopher to discuss death. Ailing with prostate cancer, more than once he has addressed his own approaching death in public.

The 93-year-old philosopher, Jean Guillelmy, who disclosed the meeting of last month in the newspaper *Libération* on Friday, went even further later in the day, noting in a radio interview that the president had also confided that his doctors had given him no more than six months to live.

Then, at a previously scheduled news conference, Mr. Mitterrand declared that his doctors had made such a forecast. "I do not expect such a quick ending," he said, adding softly that, at the age of 79 and suffering from "a certain illness," it is not possible to make long-term plans.

Yet, since undergoing a new operation for cancer last September, he has set himself one overriding objective — to complete his second seven-year term, which ends on May 7. And he wants to do so with dignity, representing France abroad and making his influence felt at home.

His courage and determination have in turn earned him growing admiration in France. Two years ago, his popularity was at an all-time low, with many French clearly tired of a man who had been in power since 1981. Today, he is mobbed by crowds and applauded at public appearances.

His illness and painful chemotherapy treatment have left their mark. He has lost much of his hair, he is thinner and walks slowly. But he is as alert as ever, switching effortlessly from discussing complex European issues to mischievous remarks about French politics.

And he remains very much in evidence. Friday, he flew to Aix-en-Provence to meet Italy's prime minister, Silvio Berlusconi. Earlier this month, he attended a summit meeting of the Conference on Security and Cooperation in Europe in Hungary and a European Union summit meeting in Germany.

As much as Mr. Mitterrand the politician, though, it is Mr. Mitterrand the man who intrigues many French. Even after they have known him for 20 years as an opposition leader and 13 years as president, he remains a figure of mystery. His public battle against death is therefore all the more gripping.

It is Mr. Mitterrand's declared atheism and his philosophical bent that have made many French so curious to know his pri-

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Bonn Edges Toward Aiding Bosnia Rescue

By Craig R. Whitney

BONN — Germany said Friday that it would probably provide logistical assistance and combat air cover, but not ground troops, in the event of a withdrawal of United Nations peacekeeping forces from Bosnia.

No decision has been made yet to pull out the UN Protection Force, nearly half of whose 24,000 troops are provided by France and Britain.

Contributing countries, which do not include Germany, will meet in The Hague next week with officers of the NATO alliance to discuss a French proposal to make the force less vulnerable to coercion from the Bosnian Serbs and other warring parties.

But after preliminary soundings between Chancellor Helmut Kohl's coalition and the Social Democratic opposition, Mr. Kohl made a tentative commitment to sending German pilots into combat beyond the country's borders for the first time since World War II if the North Atlantic Treaty Organization asked for them.

"If it comes to a withdrawal, Germany will show solidarity," said Foreign Minister Klaus Kinkel. "Germany cannot refuse to support those who have put their heads on the block." He added, however, that the government could not send ground combat forces to the Balkans because of continuing resentment there of the German invasion during the war.

But, Defense Minister Volker Rühe

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Tragedy Spurs Nepal to Consider a Limit on Daring

By John F. Burns

KATMANDU, Nepal — "On the mountain, joy and sorrow are close companions," said Fritz Marz. "Fate decreed this time that the outcome would be sorrow."

Mr. Marz, a former president of the German Alpine Federation, was speaking at a memorial service for 11 mountain climbers who fell to their deaths in central Nepal in November in one of Himalayan mountaineering's worst accidents.

Nine of the dead were Germans.

The accident, in the Annapurna range, gave new momentum to a growing debate here: How can this mountain kingdom, once so jealous of its borders that tourists were banned until 1955, begin tightening controls on the thousands of foreign climbers and trekkers who come here every year?

Until now, the government has set few limits, partly because climbing and trekking are a \$200-million-a-year

business in a country that is one of the poorest in the world.

But to many here, the deaths of all 11 climbers on a single expedition — besides the Germans, a Swiss and a Nepalese sherpa died — sounded a new warning about the risks of allowing foreigners to tackle the world's highest mountains with minimal controls.

"You have to be careful not to take the challenge away, because that's what mountaineering is all about," said Pertemba, 46, a mountaineer who has climbed Mount Everest three times.

But Pertemba — he follows the Sherpa tradition of using only one name — believes the time has come for new limits, to curb the dangers to climbers as well as to protect Nepal's environment.

Many of the restrictions imposed in recent years, particularly on Everest expeditions, have been aimed at limiting the amount of garbage that has accumulated on the mountains.

Restrictions could have wide repercussions. Nepal has 8 of the world's 10 highest mountains. Each year, about 900 mountaineers, mostly from Europe, Japan and the United States, visit Nepal to climb these "expedition peaks."

About 40,000 other visitors climb at least the lower slopes of dozens of lesser mountains known as "trekking peaks."

After the November accident, Pertemba was appointed by the Nepal Mountaineering Association, a group with ties to the government, to investigate what caused the 11 climbers to die on Mount Pisang, a 6,066-meter (19,900-foot) trekking peak.

The Pisang accident was the worst in Nepal since 1972, when 15 climbers, including 10 Sherpas, died in two days on Mount Manaslu, also in the Annapurna range.

Guides who retrieved the bodies concluded that all 11

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A Battered Major Admits Bad Result And Calls for Unity

Compiled by Our Staff From Dispatches

CAMBRIDGE, England — Prime Minister John Major, whose ruling Conservative Party has again been humiliated in a parliamentary election, conceded on Friday it was a poor result and urged his bickering party to reunite.

In the biggest swing from the Conservatives to the Labor Party since 1935, Graham Pootles on Thursday won less than a fifth of the votes in the central England seat of Dudley West, which had been held by Mr. Major's party for 15 years.

Voters swept Labor candidate Ian Pearson to victory, indicating they were disillusioned by Conservative splits over Europe, tax rises and allegations of sleaze in the Major government.

Only 7,706 people voted for the ruling party compared with 34,729 at the April 1992 general election. Labor's vote held steady at 28,400.

Mr. Major, visiting a factory here, said: "It was a very poor result, but I think some good will come out of it."

"People within the party must now realize they must pull together towards the same end for the good of the country."

The Conservatives hope economic recovery will bring voters around by the time the next general election is called, some time before mid-1997.

The Conservatives' loss of the Dudley seat follows the election of eight Conservative legislators from the parliamentary party two weeks ago for refusing to back Mr. Major in a vote over increasing Britain's payments to the European Union, which he had declared a matter of confidence. A ninth resigned.

Defeat in Dudley reduced the overall majority of elected Conservatives, including the rebels, to 13. In practice, Mr. Major has to hope for support from the rebels or rely on nine law-makers from a Northern Ireland regional party.

Dudley was the first parliamentary by-election since Tony Blair took over as Labor leader in July.

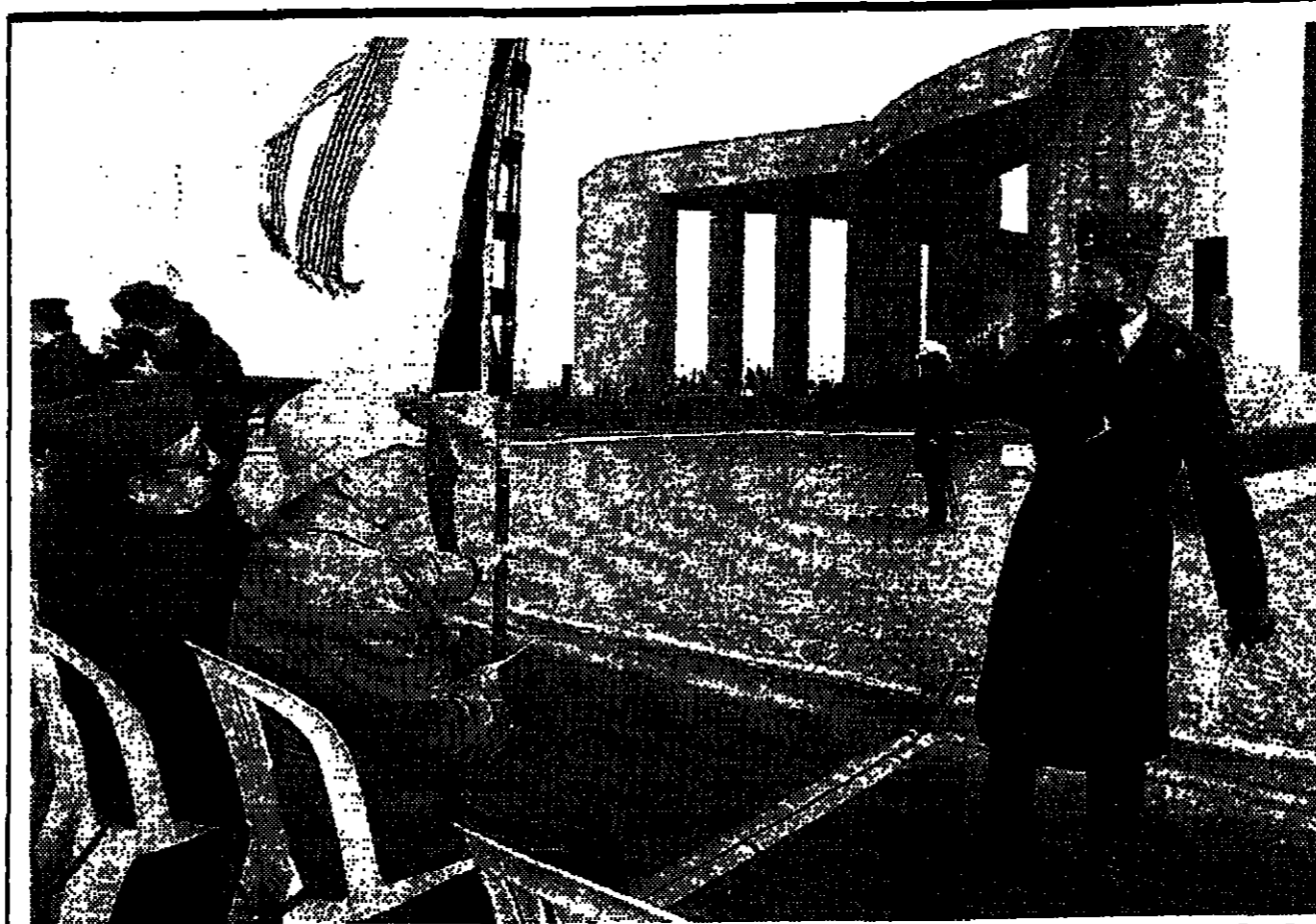
Mr. Blair said the victory showed the Conservative agenda of the 1980s had run its course and people were turning to Labor for new ideas. The Conservatives have been in power 15 years.

"It's an extraordinary victory," he said. "It's a devastating defeat for the government. It is a test, not just of how unpopular and discredited the government are, but also a test of 'new Labor.'"

The 29 percent swing to Labor was the biggest since 1935, when Labor won a seat in Liverpool on a 30 percent swing in a freak result after the intervention of a high-profile candidate running as an Independent Conservative.

The minority Liberal Democrats, who have won three by-elections since the last general election, fared poorly at Dudley.

(Reuters, AP)



THIS WAY, GENTLEMEN — A U.S. soldier explaining to World War II veterans on Friday the procedure for the 50th anniversary commemoration of the Battle of the Bulge at the memorial to Allied forces in Bastogne, Belgium.

Scrap the Stasi Files? The Man in Charge Says No

By Stephen Kinzer

New York Times Service

FRANKFURT AM DER ODER, Germany — The man in charge of all the files left by the East German secret police has strongly rejected suggestions that they be destroyed or sealed.

"We are hearing appeals for an approach to the past which reminds us of West Germany in the 1950s," the official, Joachim Gauck, said here. "The total silence about Nazi crimes in those years created one generation that refused to face the truth and another that struck out with excessive violence against the rule of law. We don't want this to happen again."

"Instead of taking the easy path of nostalgia, we must confront difficult truths," Mr. Gauck said. "There can be no peace without honestly and maturely confronting the past."

Mr. Gauck, a Protestant clergyman from the eastern part of the country, spoke after a public opinion survey said 57 percent of the people in the former East Germany favor closing the secret police files.

As Communist rule was collapsing in 1989 and 1990, protesters occupied regional and national headquarters of the secret police, known as the Stasi. Some files were destroyed, but an enormous archive was left

behind on the surveillance system that Stasi ran on its citizens using 91,000 agents and 173,000 part-time informers.

At first there was great enthusiasm for probing the means of Stasi repression and condemning the perpetrators. But with many eastern Germans having lost jobs after their Stasi backgrounds emerged, some now complain that Stasi files are being used to persecute them.

"We have to put an end to this discrimination against eastern Germans," said Manfred Stolpe, governor of the eastern state of Brandenburg and a former Stasi collaborator. "In individual cases, people should have access to witnesses and documents. Beyond that, the relevance of all of it is questionable."

Mr. Stolpe's political success makes him a striking example of how a former collaborator can overcome his past. Stasi files show that when Mr. Stolpe was a senior official of East Germany's Lutheran church, he worked with the secret police, informing on private conversations and even secretly receiving a medal for distinguished service.

But other politicians disagree with Mr. Stolpe and think the files must be kept open.

"I can understand the psychological motivation

behind wanting it to end," Rita Süssmuth, president of the German Parliament, said in Berlin this week. "But we also know that the past cannot be pushed aside. What we repress and lie about always returns to us."

An exhibition showing how the Stasi operated in one part of East Germany opened last week in Frankfurt am der Oder, which lies across the Oder River from Poland.

Among the items on display here are espionage tools like bags, purses and jackets equipped with hidden cameras or microphones. There is also a large watering can with a camera set into its base. It was used by agents posing as cemetery workers so they could record who came to visit the graves of people considered enemies of the state.

Stasi agents in Frankfurt am der Oder, who were responsible for monitoring about 700,000 people, left behind files that fill more than 8 kilometers (5 miles) of shelves. One of their targets, Reter Rompf, who ran a private salon at which a group of friends met to discuss political and cultural issues, said his Stasi file, which he has been given, weighs 27 kilograms (about 60 pounds).

"I knew they were watching me," he said, "but I had no idea they went into this amount of detail."

Italian Given Fisheries Post

Reuters

BRUSSELS — Emma Bonino, an Italian nominee to the new European Commission that takes office in January, will be in charge of European Union fisheries policy, a commission spokesman said on Friday.

Compiled by Our Staff From Dispatches

NEW YORK — Federal officials are investigating the sabotage of Tower Air's jumbo jet — most likely by someone with easy access to the planes, federal and company officials said on Friday.

The sabotage in early November at New York City's John F. Kennedy International Airport involved cutting wires inside the cockpit panels of five Boeing 747s and was done by someone knowledgeable about the craft, the airline said.

A sixth incident, in late October, also appears suspicious in retrospect, said Morris Nachtom, Tower's chairman and chief executive.

The New York-based airline, which has scheduled flights to Israel, Europe, South America and India, in addition to domestic service, said that it had

tightened security and that there had been no new incidents in five weeks.

Twenty passengers who canceled flights Friday cited safety concerns stemming from the wire-cutting incidents, said Tim Metz, an airline spokesman. An average of 2,500 people fly Tower each day.

Mr. Nachtom and federal officials said they had not pinpointed a suspect. But Mr. Nachtom said it might have been an employee who has since lost his job in a round of seasonal layoffs.

The sabotage was discovered after Tower crews received false readings from cockpit instruments during preflight checks and had mechanics examine the craft.

"In each suspicious instance, the cuts were detected during Tower's routine preflight checks, and the safety of Tower's passengers was not compromised in any way," Mr. Nachtom said.

Mr. Metz noted that there were backup systems to make up for damaged controls.

(Reuters, AP)

Chunnel Vows No Price War

Compiled by Our Staff From Dispatches

LONDON — Eurotunnel, the operator of the Channel Tunnel, set fares for its shuttle passenger service on Friday and said it was avoiding a price war with its ferry company rivals.

"Le Shuttle" services, which will begin on Thursday, will compete with ferries sailing between Dover and Calais.

The fares, which Eurotunnel describes as a "special promotion," will apply until March when peak-season prices will be announced.

A same-day round trip will cost £49 (\$73) for a carload of people and a five-day return ticket will be £75, Eurotunnel said. A fully flexible round trip ticket costs £136.

Current off-season ferry fares range from £20 round trip for a day trip to £138 for a fully flexible round trip ticket for a car and eight passengers.

The shuttle passenger service joins a Eurostar freight service, the Eurostar inter-city train service, run by French, British and Belgian national railroads.

The group said that until early January there would be 26 departures a day, one every hour in each direction from eight o'clock in the morning to eight in the evening.

In early January the service will operate on a 24-hour basis. Until the end of March passengers will have to reserve in advance.

(Reuters, AP)

Safety Issues Halt Dozens of Flights, Causing Holiday Travel 'Mess' in U.S.

Reuters

CHICAGO — Safety worries grounded dozens of commercial airline flights across the United States on Friday, disrupting Christmas travel for an uneasy crash-conscious public.

"It's a mess," said a man at O'Hare International Airport, where American Eagle suspended all commuter operations to Midwest cities for the second time in less than a week.

With a number of crashes giving the industry its worst safety record in six years, and planes already booked solid by a combination of cheap fares and holiday trip-taking, travelers also had to contend with the suspension of all American Eagle operations at O'Hare and some at John F. Kennedy International Airport in New York.

The move came after pilots said they needed better training for cold weather flights.

At the same time, Kiwi International Airlines suspended all service after the Federal Aviation Administration questioned its record-keeping on the training of pilots. Passengers in At-

lanta, Chicago, Newark, New Jersey, San Juan, Puerto Rico, and Orlando, Tampa and West Palm Beach in Florida were sent scrambling to other carriers.

After two American Eagle crashes within five weeks killed a total of 83 people, some travelers have chosen to use rental cars rather than take short-hop flights in small planes.

At O'Hare, American Eagle passengers arriving at the world's busiest airport were being sent to other airlines.

The company said it had stopped all flights from O'Hare until Jan. 4 because representatives of the Allied Pilots Association had questioned the level of cold-weather training for pilots recently assigned to operate out of Chicago and New York.

Some pilots had been deployed to those cities from warmer areas to fly Swedish-built Saab 340 aircraft. The Saabs were brought in to replace French-Italian ATR-42 and ATR-72 aircraft that the Federal Aviation Administration has ordered grounded during icing conditions.

Red Tape to Fly Through — Small airliners cannot be brought under safety rules that cover larger craft until at least next fall, The Associated Press reported from Washington.

The U.S. secretary of transportation, Federico F. Peña, called Wednesday for the rules on large planes to be extended to smaller commuter carriers within 100 days.

The new rules will be published in the Federal Register in March and should be in effect within six months after that, said the head of the Federal Aviation Administration, David R. Hinson.

The step will extend the current large-plane rules to all scheduled carriers with 10 or more seats. Currently planes with 31 or more seats fly under stricter rules than the smaller commuter carriers.

Under the stricter rules, flight crews of smaller planes will work fewer hours and get more help from dispatchers. There also will be changes in equipment and inspections for some aircraft.

WORLD BRIEFS

U.K. to Order U.S. Military Planes

LONDON (AP) — The British government announced Friday that it would order 25 U.S. Hercules aircraft, saying it could not wait a decade for an untested European plane that would cost nearly twice as much.

Trade Secretary Michael Heseltine and British Aerospace had argued that Britain should buy the European Future Large Aircraft, which Britain Aerospace is helping to develop. They said ordering the Hercules from U.S.-owned Lockheed would damage Britain's aerospace industry and its future participation in European projects.

The Royal Air Force and the Ministry of Defense had pressed the government to order the £25 million (\$37.5 million) C-130J military transporters because they will be ready by 1996, the deadline for replacing half of Britain's aging Hercules fleet.

Europeans Approve Particle Collider

GENEVA (Reuters) — Officials from 19 European states gave the go-ahead Friday for a \$2 billion particle accelerator that scientists hope will take them back to the dawn of time and solve some of nature's mysteries.

The accelerator, the Large Hadron Collider, will fire proton beams around a 27-kilometer (16.6-mile) tunnel and smash them together to recreate conditions one millionth of a millionth of a second after the Big Bang that is thought to have created the universe.

Under a funding compromise, the budget of the European Laboratory for Particle Physics will be frozen for three years and restricted to one-percent growth per year starting in 1998. The collider will occupy a tunnel already used for a less powerful collider and will be built in two stages. It is to start operations in 2003 or 2004 and to be brought to full power in 2008.

88 Held in Money-Laundering Sweep

WASHINGTON (Reuters) — Law enforcement officials said Friday that they had seized \$52 million in drug money, broken a major money-laundering network of cocaine traffickers and found direct links between the Italian Mafia and the Cali drug ring in Colombia.

A two-year investigation, called Operation Dinero, resulted in seizures of nine tons of cocaine in the United States and Canada, seizure of \$52 million and the arrests of 88 people, the officials said at a news conference. The seizures included paintings by Rubens, Picasso and Reynolds.

U.S. officials praised the work of counterparts in Italy, Spain, Canada and Britain, and said they were ready to use the same kind of border-spanning tactics, including use of a bank in the West Indies as a front, to catch more criminals.

France Cuts Candidates' Spending

PARIS (AP) — The National Assembly voted Friday to slash by 30 percent the amount of money presidential candidates are allowed to spend on their campaigns.

The bill, which already has won preliminary Senate approval, would lower the spending limit for candidates in the first round of voting from 128 million francs (\$24 million) to 90 million francs. The ceiling for the two candidates who reach the runoff would be 120 million francs, down from 171 million francs.

On Thursday, the assembly approved a bill barring businesses from financing election campaigns and political parties. The deputies also voted to make ineligible for election for five years any politician convicted of corruption or influence-peddling.

World Bank Proposes a Vitamin Plan

WASHINGTON (Reuters) — Millions of lives could be saved through a low-cost and relatively simple step, ensuring that everyone gets enough of three common vitamins and minerals, the World Bank said Friday.

About 2 billion people around the world remain at risk from deficiencies of vitamin A, iodine and iron, a World Bank report said. More than a billion are already ill or disabled by these deficiencies, which can cause mental retardation, learning disabilities, low work capacity and blindness, the report estimated.

The economic costs of these nutritional deficiencies can add up to as much as 5 percent of a country's gross domestic product in terms of lost lives, disabilities, and productivity. Fortifying food and water with vitamins and minerals would cost only 0.3 percent of GDP, adding up to \$1 billion a year, the report said.

For the Record

The war crimes trial in Ethiopia of leaders of the former Marxist regime was adjourned Friday for three months to give the defense more time to prepare.

TRAVEL UPDATE

Tokyo Is Twice as Costly as New York

LONDON (AFP) — Tokyo and Osaka are the world's most expensive cities, where the cost of living is twice that of New York, the latest six-month survey from the Economist Intelligence Unit showed.

Paris is the most expensive city in the European Union, with Lisbon the cheapest, but Zurich is the most expensive city in Europe, said the study, which compares 120 cities worldwide. The Japanese cities are much more expensive than the European ones, with a 71-point gap between Tokyo and Zurich.

Taking New York as a base index of 100, Tokyo comes in at 211, Osaka 195, Zurich 140, and Oslo 137. Tripoli, Libya, comes in at 181. Hong Kong, which six months ago was 11th in the rankings, has slipped to 16th with a rating of 113. Moscow rates 114, London 110, Berlin 111, Paris 128, Milan 101, and Prague 57. South America's most expensive city is Buenos Aires, while Lagos leads West African cities and Johannesburg the Southern African ones. Bombay and New Delhi have succeeded Harare, Zimbabwe, and Tehran as the world's cheapest business locations.

Armed police will no longer patrol the slopes at the Snowmass resort in Colorado, the Aspen Skiing Co. says. The company said regular police patrols on the mountain were creating a bad image. It had thought that with 11,000 people skiing during the day, it made sense to have a police presence.

Airlines are bracing for severe flight disruption on Saturday, when thousands of people plan to blockade Sydney airport for four and a half hours to protest aircraft noise.

Kiwi International Air Lines is booking its passengers onto other carriers since indefinitely suspending its 42 daily flights after U.S. government questions about pilot training records. "Our reservations office is arranging for other carriers to take everyone," a spokesman said in Newark, New Jersey.

Pollution levels shot past the danger level in Mexico City this past week. Ozone levels hit 244 points on a 500-point scale in the southwestern part of the city and 200 points in the center. Any reading over 200 points is considered dangerous.

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THE AMERICAS /

Clinton Swings to the Middle Tax-Reduction Game Gains Another Runner

By Ann Devroy
New York Times Service

WASHINGTON — President Bill Clinton has proposed what he calls a "middle-class bill of rights" in an address in which he pleaded for a greater sense of national community and a gentler national politics in addressing the country's problems.

Mr. Clinton, seeking to redeem his presidency with middle-class voters, outlined a tax-cutting, government-trimming agenda in a 10-minute Oval Office address Thursday night that had supporters of virtually every one of his 1992 populist campaign themes, dabs of history and denials of any political motivation on his part.

In announcing his proposal, Mr. Clinton became the latest leader to join in what has become a tax-cut competition among Democrats and the Republicans who take control of Congress next month and who ran on a tax-cutting agenda.

The Clinton proposal was a mix of \$60 billion worth of credits and deductions, mainly for families with young children or children in college. It would be paid for by deep cuts in five federal departments and agencies, and by extending for two years, until 2000, a freeze on discretionary domestic spending.

Although Mr. Clinton did not detail the plan in his address, senior officials said three separate tax reductions proposed include a \$500-per-child tax credit for families with children under age 13 whose adjusted income was under \$60,000. The credit would phase out at

higher incomes, ending at incomes of \$75,000.

The plan would also allow middle-income families to deduct up to \$10,000 per year in tuition for college or other education after high school. That

The president insisted that his proposals had nothing to do with politics or his own future, and that his agenda had nothing to do with his re-election.

deduction would begin to phase out at incomes of \$100,000 a year and would be eliminated at incomes of \$120,000 per year.

The third element in the tax cut would be an expansion of individual retirement accounts (IRAs), the tax-deferred accounts now available to middle- and lower-income Americans for retirement savings. Under the plan, individuals earning up to \$100,000 could defer taxes on up to \$2,000, which could be withdrawn for a broader range of uses, including buying a home, catastrophic illnesses and caring for a parent.

Officials said Mr. Clinton had signed off on \$76 billion in savings over five years to pay for the tax cuts, with major program consolidations, eliminations and cutbacks in five departments and agencies:

Housing and Urban Development, Energy, Transportation, the General Services Administration and the Office of Personnel Management.

The program cuts would produce \$24 billion. An additional \$52 billion would come from extending the freeze on discretionary spending. That freeze prevents increases on all spending under congressional control that is not required by law to increase, such as Social Security retirement benefits and interest on the national debt.

Mr. Clinton also proposed what would be a major move in any normal year, a sweeping reorganization of federal job retraining programs that includes abolishing 60 such separate programs and instead giving vouchers of \$2000 to \$3000 to those who qualify to get training at private facilities.

Delivering the Republican response, Senator Fred D. Thompson of Tennessee suggested that Mr. Clinton's proposals were a belated response to the election returns. Mr. Thompson said that Mr. Clinton, during his first two years in office, "tried to put a bunch of government bureaucrats in charge of your health care" and did not favor tax cuts until two weeks ago, after Republicans led the charge on that issue.

In contrast, he said, Republicans had already started delivering on the promises that propelled them to victory last month, including cutting the size of the congressional staff and preparing early action on issues like the balanced-budget amendment and reducing federal burdens on states.



President Clinton reflecting after his Oval Office speech.

Mr. Clinton insisted that his proposals had nothing to do with politics or his own future and that his agenda had nothing to do with his re-election. His proposals, he said, are "not about the election" and are not "politics as usual."

And in a closing that mimicked the salutes to American character that used to be a staple of Ronald Reagan's speeches, Mr. Clinton spoke of himself as a product of the American Dream his presidency seeks for other Americans.

POLITICAL NOTES

Clinton's Spokeswoman Quits

WASHINGTON — Dee Myers, the first woman to serve as White House press secretary, said Friday that she was resigning her post at the end of the year. "It is time for me to move on," Ms. Myers told reporters who had gathered in her office. She said that she had received several job offers but had not decided which one she would accept.

Asked about reports that she had been pressured to leave amid complaints that President Bill Clinton had been unable to communicate his message effectively, Ms. Myers said: "I'm neither jumping nor being pushed."

Mr. Clinton's chief of staff, Leon E. Panetta, tried earlier this year to replace Ms. Myers as part of a staff overhaul. (Reuters)

A Setback for Bank Regulators

WASHINGTON — The Justice Department has sided with the banking industry against the Clinton administration's banking regulators, blocking plans to step up enforcement of laws aimed at increasing lending in poor neighborhoods.

The official statement of the administration's legal policy does not affect separate laws against racial discrimination that the Justice Department has vigorously enforced this year. But the legal opinion represents another blow to President Clinton's 1992 campaign pledge to make it easier for poor people to borrow money and revive their neighborhoods without federal aid. (NYT)

1992 Campaign Funds Misused

WASHINGTON — The 1992 Clinton presidential campaign paid \$37,500, some of it in federal funds, to settle a sexual harassment allegation against David Watkins, the former head of the White House office of administration, who was fired after using a presidential helicopter to fly to a golf outing, sources familiar with the matter said.

The Federal Election Commission refused to allow federal matching funds to be used for the payment to settle the allegations, made during the presidential campaign.

Details of the incident surfaced this week after commission auditors challenged the payment, which was identified in campaign records only as a confidential "settlement" for unspecified consulting work.

As a result of the commission's ruling, the campaign committee will have to repay about \$9,675 in federal matching funds that were applied to the payment.

When first confronted with the allegation, Mr. Watkins denied any wrongdoing. The nature of the alleged harassment could not be determined. Mr. Watkins ran the administrative side of the campaign. (W.P.)

The Sleigh Stops on Capitol Hill

WASHINGTON — Playing Santa Claus to Congress, two package delivery workers cruised the corridors of the House office building this week, pushing oversized carts piled high with presents from lobbyists.

In the Senate office building next door, another messenger loaded with gourmet fruit baskets was hopping from office to office to drop them off.

So what is the thoughtful lobbyist giving to members of Congress this holiday season?

From Ralph Vinovich of the Tobacco Institute, it's a hefty box of gourmet oranges and grapefruits for the Senate Republican cloakroom. RJR Nabisco has shipped in hundreds of wooden casks laden with cookies, crackers and other munchies made by the company. The United Transportation Union is distributing pewter serving plates. And the Recording Industry of America has sent double-compact disc sets of Barbra Streisand's concert at Madison Square Garden.

Members of Congress and aides are allowed to accept gifts valued at up to \$250. For anything more than that, a waiver must be obtained from the ethics committee. (AP)

Quote/Unquote

Haley Barbour, the national chairman of the Republican Party, on Clinton plans for a middle-class tax cut: "When you look at what President Clinton has done in the last two years, this is a 180-degree turn." (Reuters)

Supreme Court Christmas Party Withstands Challenges

By Joan Biskupic
Washington Post Service

WASHINGTON — Nearly every year, the Supreme Court hears challenges to local government practices that may endorse religion, from school prayer to whether cities can erect Nativity scenes.

And every year the court puts up its own 25-foot Christmas tree, plays carols for visitors and holds a Christmas party.

Complaints come annually, too — from law clerks, a few visitors and, in the past, individual justices. But Chief Justice William H. Rehnquist has stood firm, resisting pleas to rename the party a nonsectarian "holiday" affair, to drop the carols or to move the big tree to a less prominent position.

"So any kid touring Washington cannot see

the courtroom without having to negotiate his way around the tree and without hearing Christmas music," a former law clerk said. "It is inconsistent with the impartiality that the court needs to show."

The floor-to-ceiling fir stands in the Great Hall leading to the courtroom. Decorated with colored lights, dozens of ball ornaments and tinsel, it is a spectacular sight, especially when approached from the marble front steps that visitors use.

At the staff party, Justice Rehnquist leads a group in songs such as "The First Noel" and "Silent Night," as well as old favorites, such as "Ain't She Sweet" and "I'm Forever Blowing Bubbles."

Few of the party's critics contend that the tree or such festivities violate the First

Amendment's required separation of church and state.

Over the years the court has narrowly voted to allow secular Christmas symbols in public buildings. In 1984, the justices allowed a Nativity scene in a city-owned park in Pawtucket, Rhode Island because it was part of a larger display that included Santa Claus, reindeer and snowmen.

In 1989 they ruled against a Nativity scene in a courthouse in Allegheny County, Pennsylvania, that was unadorned by secular symbols. At the same time, however, they allowed a Hanukkah menorah paired with a Christmas tree at a government building a block away from the Nativity scene.

Yet a small group of justices' law clerks say that while the court's own practice may be

constitutional, it is not right. "Even if the court has the legitimate authority to do it," a clerk said, "the unelected members of the institution have no right promoting their religious views in a public way."

A Supreme Court public information officer, speaking for Justice Rehnquist, said the tree and festivities were part of a celebration going back decades for the benefit of court workers. "This is the one time each year that the entire court staff has a chance to get together and socialize," the spokeswoman said.

For the first time in its history, the court has two Jewish justices, Ruth Bader Ginsburg and Stephen G. Breyer. Justice Ginsburg was out of the country this week. Justice Breyer, who as the junior justice is the official host of the party, declined to comment.

Black Caucus Confronts Future

Defrocked Group Focuses on Cuts Affecting Constituents

By Kenneth J. Cooper
Washington Post Service

WASHINGTON — With Republicans taking control of Congress, members of the Congressional Black Caucus stare uncertainly at a steep drop from the pinnacle of political influence they reached in the last two years.

From being a political player on major legislation, the Black Caucus reverts to being "the conscience of the Congress," its primary role for most of the 24 years it has existed, members acknowledged. The 41-member caucus is trying to come up with a defensive strategy to counter Republican proposals on tax cuts, welfare revisions and other issues of interest to its predominantly African-American constituents.

"They're going from their peak. The 103d Congress was their most influential time ever," said David Bodis, a senior researcher at the Joint Center for Political and Economic Studies. "The 104th is really going to represent a wholesale shift in the way things are done."

House members in the overwhelmingly Democratic caucus have lost chairmanships of three committees and about 20 subcommittees, as well as four coveted seats on the Ways and Means, Appropriations and Rules committees. A plan that the new Republican majority appears determined to implement is likely to cost the caucus, one of the oldest in Congress, its office, staff and budget.

Meanwhile, a more permanent threat to Black Caucus clout has arisen in the Supreme Court, which has agreed to hear a Louisiana challenge to a ma-

jority black district drawn after the 1990 census to comply with the Voting Rights Act.

The 1992 elections of 13 black lawmakers from voting-rights districts in Southern and border states increased the membership of the Black Caucus about 50 percent and helped boost its political influence.

In a farewell news conference after two years as Black Caucus chairman, Representative Kweisi Mfume, Democrat of Maryland, on Thursday recited a long list of legislative accomplishments, ranging from crime-prevention and gun-control measures to tax breaks for the working poor and investors in empowerment zones. He described the redistricting challenges filed in Louisiana and other Southern states as part of a racial backlash.

To guide the Black Caucus through the next two years of Republican control, members Wednesday night elected Representative Donald M. Payne, Democrat of New Jersey, a low-key lawmaker from Newark entering his fourth term. He drew most of his backing from senior members accustomed to acting as the conscience of Congress, while junior lawmakers who see themselves more as professional legislators backed freshman Representative Alcee L. Hastings, Democrat of Florida.

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AMERICAN TOPICS

Young Doctors Learn On Newly Dead Bodies

Teaching hospitals sometimes have young doctors practice routine medical procedures on newly dead bodies — usually without permission from the deceased person's family, according to a survey directed by Dr. Jeffrey Burns of the New England Medical Center and published in the current New England Journal of Medicine.

Researchers sent the survey to 449 training programs in adult and child critical care. Of the 353 that responded, 39 percent said they used the bodies of newly dead people to teach medical procedures, and 10 percent said they got consent first from families.

The most common procedure taught this way was putting a tube into the windpipe. Other procedures include putting needles into various organs and draining fluid from around the heart.

Many such procedures are largely taught with dummies. However, doctors defending the use of dead patients said it is important for those learning lifesaving procedures to practice as well on the human body.

They say they are reluctant to seek permission for this because of the difficulty of approaching relatives moments after a patient's death. The author of the report, Dr. Burns,

said he wrote about the issue because he thought it was important to discuss it openly.

Short Takes

Two men have pleaded guilty in San Jose, California, to poaching butterflies. Theirs is the first such federal case on record. The defendants face up to five years in prison and \$250,000 in fines for conspiring to violate U.S. wildlife laws by netting 2,200 rare butterflies on federal land in 10 states, a U.S. attorney said. "We're not talking about kids with their butterfly nets," he said. "They were selling and trading these species, many of which are on the verge of extinction." Collectors pay hundreds of dollars for rare butterflies, some protected by the Endangered Species Act and others by international convention.

Celebrity exercise video tapes are a growth industry. Jane Fonda produced one of the first; she has been followed by such others as Zsa Zsa Gabor, Mary Tyler Moore, Angela Lansbury and even an animated Barbie Doll. Jammy Scott of The New York Times, "pushing 40 and in passable condition," sampled about 20 celebrity fitness tapes and "came to the conclusion they are more about entertainment than exercise. My sampling suggests that the exerciser is more likely than not to get a pretty ordinary workout lasting about an hour, a pep talk and a few phony confidences from a famous person pretending to look him or her in the eye."

International Herald Tribune.

Away From Politics

An accord to protect the water and wildlife of San Francisco Bay and its vast inland delta has been signed by California and the U.S. government, resolving conflicts that for years have divided the region's farmers, city dwellers, and conservationists. It establishes limits on how much fresh water can be diverted from the estuary. The aim is to protect endangered species of fish. (NYT)

Critical arguments over who was beating whom in the stormy marriage of O.J. and Nicole Brown Simpson, and whether the jury should hear anything on the subject, have

been postponed after lawyers for Mr. Simpson asserted that prosecutors had "dumped" on them an 85-page motion on the issue and 1,044 pages of related material, denying them adequate time to prepare. Mr. Simpson is accused of murdering his wife and a friend of hers. (NYT)

Ordinances that restrict the movement of homeless people and reduce services to help them have been approved by a growing number of cities in the last year, according to the National Law Center on Homeless and Poverty. (NYT)

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Serb Plays His Best Card: Chaos

By Inviting Carter, Karadzic Confounds Foes

By John Pomfret
Washington Post Service
ZAGREB, Croatia — Radovan Karadzic, the leader of the Bosnian Serbs, is trying to draw former President Jimmy Carter toward Bosnia in the diplomatic equivalent of a Serbian military strategy that has proved successful throughout the 32-month Bosnian war.

NEWS ANALYSIS

Mr. Karadzic, a psychiatrist turned nationalist strongman, has long sought through force of arms — recently in combat in the Bihać pocket — to ouster U.S. and allied diplomacy aimed at preserving a unitary Bosnian state through negotiated peace.

Because the Bihać confrontation has not gone as well as his army would like, officials here say, Mr. Karadzic took the initiative this week to kill the latest international peace plan using peaceful means instead of arms.

By attempting to draw in the former president as international mediator, he also has sought to introduce his favorite element — chaos — into a diplomatic mix that has so far proved incapable of ending the war. Throughout the conflict, Mr. Karadzic has shown himself adept at profiting from confusion and rifts — between the United Nations and NATO,

among NATO members themselves, between the United States and Russia.

The introduction of a new proposal, coupled with the entry into the arena of such a prominent American, is bound to create opportunities for the Serbs to strengthen their hold on their already substantial territorial gains in Bosnia.

Finally, in inviting Mr. Carter to Pale, headquarters of the Bosnian Serbs, Mr. Karadzic is seeking to boost his position among his allies in Serbia proper, especially vis-à-vis President Slobodan Milosevic, the mastermind of Yugoslavia's wars of secession and his rival to lead the Serbs.

Mr. Carter's office in Atlanta said Friday that the former president had not made up his mind about a trip to the region after a briefing from State Department, National Security Council and Central Intelligence Agency officials.

The willingness of any of the world's powers to even consider Mr. Karadzic's proposal highlights the grim impasse into which international peace efforts have fallen. While initially cool to the idea, the Clinton administration agreed to provide Mr. Carter transportation. That the Clinton administration did not consult with the Bosnian Muslims over the propriety of such a move is an indication of how desperate it is for a solution to the Bosnian war, a senior Western diplomat said.

The results, several analysts predict, will be an increasingly alienated Bosnian government; a Bosnian Serb "state" emboldened by its ability to determine the direction and pace of negotiations; and an international peace effort more Balkanized than the Balkans itself, with at least five entities, including Mr. Carter's conflict resolution team, tripping over one another to end the war.

The Serbian leader made his offer to Mr. Carter in classic style — in an interview with CNN late Thursday. There he listed six promises, including open roads for aid and the protection of human rights, that he said he would keep within 24 hours to set the stage for the American's entry into the Bosnian diplomatic arena.

But Mr. Karadzic's vice president, Nikola Koljevic, told UN officials Friday night that the Serbs wanted four concessions in exchange for keeping the promises to Mr. Carter, UN sources said. They said these included regular flights from Sarajevo to Belgrade, more food aid, buses from Serbian territory to the airport and the expulsion of the Bosnian Army from a demilitarized zone on Mount Igman above Sarajevo.



ALTAR OFFERING — An African National Congress member turning in an assault rifle to the Reverend Peter Storey in a Johannesburg church during a service Friday, which was National Reconciliation Day in South Africa.

CLINTON: New Flip-Flop Is All About a 2d Term

Continued from Page 1

example, on Haiti and Bosnia-Herzegovina.

The advisers say that Mr. Clinton has always wanted a middle-class tax cut — after all, he proposed one during his campaign — but that reducing the deficit had to come first.

For three straight fiscal years, the deficit has fallen. In part, that is because of the budget Mr. Clinton pushed through Congress last year. The deficit is expected to begin to rise once more in the fiscal year that begins next October unless taxes are increased or spending is reduced further. The president ignored that in his speech.

Presidential assistants insisted that the tax cuts Mr. Clinton was offering would be fully offset by spending reductions.

Maybe so. But the proposed tax breaks were described Thursday night with considerable specificity. The spending cuts were described only in the most general terms.

No mention was made of reducing the deficit further in any significant way or of steps to keep it from rising beginning in 1996.

The most unpleasant part of the president's tax proposals — that they will be gradually introduced over a period of years rather than becoming effective immediately — was not dis-

cussed publicly Thursday night.

Furthermore, most of the savings in spending — \$52 billion out of a total of \$76 billion — would be accomplished without immediate political pain by extending the freeze on discretionary spending programs through the year 2000.

The freeze has been in effect since 1991 and was to have expired in 1998. It has indeed held down spending. But the administration is not saying which programs are in line for cuts in 1999 and 2000 to maintain the freeze, whether they would be in the military or social programs or what. Since no one knows who would take the hit, there is no current political cost to the president.

Only a few specific program cuts were divulged, but some of them are likely to generate considerable political opposition.

For example, the administration intends to sell dams, power stations and other assets connected to hydroelectric plants the government owns in Western states.

This would doubtless result in higher electricity costs in those states and are likely to be opposed by, among others, Senator Mark Hatfield of Oregon, who will be the new chairman of the Appropriations Committee, and his fellow Republican from Oregon, Bob Packwood,

who will be chairman of the Finance Committee.

Money would also be saved by turning over the air-traffic control system to private operators. Opponents of this step include the general aviation industry. Most of the U.S.-built planes flown by private pilots are made by firms headquartered in Kansas.

The tax breaks Mr. Clinton wants would be helpful to middle-income families but would by no means be a windfall. According to the White House, a family with two small children and an income of \$50,000 would save \$1,000 a year in taxes, or less than \$20 a week.

A comparable family with a college tuition bill of more than \$1,000 would save \$1,500 a year.

Some of the staff assistants who have worked on budget-cutting measures for two years expressed disappointment.

One young assistant said bitterly, "This is a rather Orwellian view of fiscal responsibility, to cut taxes just as the deficit begins to soar."

And an economist on a congressional staff said: "The first rule when you're in a hole is to stop digging. We're in a hole. But they're starting to dig again."

New Leader Pushes for Irish Peace

By James F. Clarity
New York Times Service

DUBLIN — On his first full day as Ireland's new prime minister, John Bruton sought Friday to allay fears that he is less committed to peace efforts in Northern Ireland than was his predecessor, Albert Reynolds.

As leader of the Fine Gael opposition to Mr. Reynolds's coalition government, which collapsed a month ago, Mr. Bruton had criticized some of Mr. Reynolds's efforts on the North.

But now that he is the head of a three-party coalition, with Labor and the Democratic Left, Mr. Bruton is emphasizing that he is fully committed to the peace initiative launched on Dec. 15, 1993, by Mr. Reynolds and Prime Minister John Major of Britain.

Mr. Bruton's program cites peace in the North as his first priority.

Although he has been a critic of the Irish Republican Army's political leader, Gerry Adams, he shook Mr. Adams's hand Friday at a meeting of the Forum for Peace and Reconciliation, which Mr. Reynolds sponsored as a way of bringing the IRA political wing, Sinn Féin, into the political process.

Mr. Bruton and Mr. Adams are expected to meet soon to discuss their differences. Mr. Adams has said that Mr. Bruton's view on the North was "flawed." Mr. Bruton said he would discuss it with Mr. Adams.

Politicians and analysts feel that Mr. Bruton's actions are crucial to the peace effort. If he is perceived as intransigent by the IRA, it might resume the guerrilla war, which was suspended by its cease-fire announcement on Aug. 31.

In the past, Mr. Bruton was moving too fast to welcome Sinn Féin to peace discussions. He has also been called a supporter of Sinn Féin's enemies, the Protestant leaders of the North, who want to remain part of Britain.

Mr. Bruton, like Mr. Reynolds, has insisted that there will be no overall settlement without the consent of the Protestant majority in the North. That is one of the key issues in a new framework for the North that was delayed by the political disruption in Dublin.

GERMANS: Bonn Edges Toward a Role in Bosnia

Continued from Page 1

told Parliament Thursday, "When it is a question of providing protection for Frenchmen, Britons and Americans who have done so much for our freedom, without whom we would never have achieved German unity in freedom, anyone who refuses this is taking an axe to the alliance."

A consensus appeared to be emerging in Bonn on providing air cover for UN troops or relief flights into Bosnia, and logistical support, to show the allies the solidarity they expected.

Germany's highest court ruled last July that the constitution did not forbid German contributions to NATO extra-territorial combat missions at the request of the UN, provided Parliament approved.

Mr. Kohl's coalition was reduced to a 50-seat majority in the Oct. 16 elections, and Mr. Kinkel's party, the Free Democrats, came close to forcing him to resign as their leader at this week. The opposition Greens party is against any kind of combat role for the German armed forces, which at 370,000 are the largest in Europe.

But influential members of the larger opposition Social Democratic Party, which has had a strong pacifist wing since the mid-1980s, have indicated that they would back the government if it answered a UN call for help.

Karsten Voigt, the party's defense spokesman, said that he had opposed a NATO request late last month for German Tornado fighter-bombers to

help NATO counter the threat from Serbian surface-to-air missiles around the besieged Muslim enclave of Bihać.

The German Tornados are equipped with special electronics to locate and jam the missiles' radar guidance system.

NATO later withdrew that request, but asked Bonn again early this month what it would be willing to provide if the UN asked the alliance to help the UN Protection Force withdraw from Bosnia. The government said it would send a formal response to NATO on Wednesday.

"We realize the Germans are in a sensitive political situation," one NATO official in Brussels said. "The offer will probably be accepted with appreciation."

CHECHNYA: Russian General Vows to Go No Farther

Continued from Page 1

wanted. The Chechen leader, who ordered his forces to fall back one kilometer from their forward positions on Friday, has sought high-level talks with the Russians.

The Russian troops who have advanced steadily this week from the north remained in their positions after bombarding Chechen forces in a village a few kilometers north of Grozny before dawn. There was heavy damage to the village, Pervomaiskoye, from which most, but not all, civilians have fled.

But the most stunning devel-

opment of the day was that amounted to a statement of mutiny by a senior Russian commander on the field of battle.

At around 2 P.M., General Babichev drove the few hundred meters from the Russian position to the Chechen civilians on the road in a jeep, along with an ambulance flying a white flag. He was accompanied by Colonel Gennadi Kandalin of the 19th Motor Rifle Division and another, younger officer.

Surrounded by Chechen civilians and journalists near the town of Achkumartan, the

general said he would advance no farther and would order his troops to hold their fire.

"If they give an order to crush civilians with tanks, it will be a criminal order," he said. "A criminal order is not a legitimate order. I tell you now that tanks will not move against you. We aren't going to shoot at you."

General Babichev said his decision was in keeping with Mr. Yeltsin's previous instructions not to inflict civilian casualties.

His statements constituted another heavy political blow against the president, who is already under intense attack from across the ideological spectrum for his decision to send troops against Chechnya.

Malaysia Wants Caning Used in Business Crime

The Associated Press

KUALA LUMPUR — The government says it will make caning a mandatory punishment for white-collar crimes, which are increasing sharply as this Southeast Asian nation grows richer.

Prime Minister Mahathir bin Mohamad's cabinet also has approved a plan to eliminate all jury trials, now used only in first-degree murder cases.

Malaysian courts often order canings for violent criminals, but the punishment has not previously been applied to white-collar crimes.

Law Minister Syed Hamid Albar said Thursday the changes required legislative amendments that would be put to the Parliament soon.

The measures are virtually certain to win approval: the prime minister's coalition dominates Parliament.

CHINA: Long Terms for Dissidents

Continued from Page 1

sending a warning to anyone considering using Deng's death to launch a protest against the Communist Party." China's paramount leader, Deng Xiaoping, is 90 years old.

The Beijing Intermediate People's Court in the district of Babaochen sentenced the nine activists to jail terms for "counter-revolutionary" crimes, or subversion, while dropping charges against five others and placing one person under supervision for two years.

Dozens of policemen guarded the doors to the court, and relatives of those indicted were barred from the courtroom. The presiding judge, Wang Huiqing, later emerged and read out the sentences while those imprisoned were whisked to prison through a back door.

"They are innocent," a relative of one of those sentenced exclaimed later. "Judging from the facts in the bill of indictment, they are innocent. I am so angry. We never expected the sentence to be this heavy."

Hu Shigen, 39, a lecturer at the Beijing Languages Institute, received the heaviest sentence, a 20-year term on charges of heading a counter-revolutionary group and "spreading counter-revolutionary propaganda," the verdict said.

Kang Yuchun, 30, a doctor, was sentenced to 17 years on the same charges as Mr. Hu. Liu Jingsheng, 40, a chemical-factory worker, was jailed for 15 years on the same charges.

Wang Guoqi, 37, unemployed, was jailed for leading a counter-revolutionary group.

The court passed five-year terms on Lu Zhigang, 26, a law student from Beijing University, along with Chen Wei, 25, unemployed; Zhang Chunzhu, 42, unemployed; and Wang Tiancheng, 30, a law lecturer at Beijing University, for spreading counter-revolutionary propaganda and actively taking part in a counter-revolutionary group.

Rui Chaohuai, 24, a factory worker, was jailed for three years and Li Quanli, 43, also a factory worker, was ordered placed under supervision for two years.

The defendants were arrested in May and June 1992 and charged with forming or joining three underground dissident groups and writing and printing political leaflets.

They were originally to have gone on trial last fall, but the

proceedings were delayed as China made its final push to play host to the 2000 Olympics.

The trial was pushed back to April this year but was again delayed, this time apparently for fear it would affect President Bill Clinton's decision on China's most-favored-nation trade status.

Mr. Clinton had previously threatened to revoke the status, which gives Chinese goods the lowest available tariffs, if Beijing did not improve its human rights record. But in May, he severed the link between the status and human rights.

The case went to trial in mid-July, but the court returned it to government prosecutors because of insufficient evidence.

China has hardened its stance against dissent. At least 11 dissidents have been sentenced to labor camps in recent months. Police have the right to hand out labor camp sentences without court proceedings.

Relatives complained that the defendants had not been allowed proper access to their lawyers. "They shut an iron gate against us," one said. "This is unfair." (Reuters, AP)

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Herald Tribune
PUBLISHED WEEKLY BY THE NEW YORK TIMES AND THE WASHINGTON POST

Berlusconi Calls Plans For Ouster 'A Swindle'

ROME — Prime Minister Silvio Berlusconi, whose 7-month-old coalition is facing a showdown in Parliament next week, on Friday branded moves to ouster him a swindle.

Mr. Berlusconi attacked what he said was an attempt to cheat the electorate as Umberto Bossi, leader of the Northern League coalition party, claimed to have the support in Parliament to bring down the government and form a new ruling alliance.

"It's a big swindle. A swindle at the expense of the electors and on the back of the country," the prime minister told Panorama magazine, when asked about League moves to form an alliance with leftist and centrist opposition parties.

The billionaire businessman will seek what amounts to a vote of confidence in his five-party coalition when he addresses Parliament next Wednesday. If he loses, he would be duty-bound to resign.

Mr. Bossi's federalist League is one of the three main coalition partners. But its outspoken leader repeated in an interview published in several newspapers Friday that he thought Mr. Berlusconi had reached the end of the line.

There are two ways out of this political situation, Mr. Bossi said. "Either we have a government without Berlusconi or there are fresh elections."

"But there won't be elections because there is already a majority opposed to Berlusconi in the Chamber of Deputies," he added.

Mr. Bossi said he had the backing of 325 members of the 630-seat Chamber. He claimed to have the support of the Democratic Party of the Left and the centrist Popular Party — two of the main opposition groups — plus a sprinkling of minor parties to form a new broad government to "complete institutional reform."

Mr. Bossi said he would be prepared to work with the liberal wing of Mr. Berlusconi's Forza Italia party in a new alliance but made it clear he wanted the media magnate out.

"If he goes back to being a businessman," the League leader said of the prime minister, "it'll help us find a painless solution to the crisis."

But Mr. Bossi faces a possible revolt from the more than 50 of the League's members of Parliament who oppose a deal with the Democratic Party of the Left (formerly Communist). The interior minister, Roberto Maroni of the League, has said he will not join an alternative government.

CANCER: On 'Afterlife'

Continued from Page 1

vate feelings about death. In a television interview in September, he was asked what he would say when he arrived "who knows where." He replied drily: "Eternity is a long time."

Pressing on, the interviewer then asked what he would like to be told after he died. The president paused, as if reluctant to play the game. "I'd like to be told, 'On balance, you have done more positive things than negative things. You have tried to help others and love them,'" he replied.

The way Mr. Guittion recounted his conversation with Mr. Mitterrand last month suggested death was even more to the president's mind now. "He said to me, 'You are a specialist in time and death and eternity, so I ask you, what is death, what is the beyond?'" the old philosopher said.

He conceded that the president, who he said had once told him that "religion is a collection of absurdities," may not have been persuaded by his own belief in an afterlife. "I told him, 'Religion is a collection of mysteries,'" Mr. Guittion added. "That's why after death is called the beyond."

Nonetheless, he paid tribute to Mr. Mitterrand, noting that he was not like a soldier who died surrounded by friends.

"The general is completely alone," Mr. Guittion said he told him. "You have the responsibility of the general, as you are head of France. You have given a marvelous example to all."

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Gore Discounts Talk Of a 'Cold Peace'

U.S.-Russian Ties 'on Track,' He Says After Meeting Yeltsin

By Margaret Shapiro
Washington Post Service

MOSCOW — Vice President Al Gore, ending two days of meetings here, said Friday that the U.S.-Russian relationship remained on track despite recent tensions over the expansion of NATO and over policy toward the former Yugoslavia. "My impression is there is no cold peace but instead a warm relationship that is very much on track," Mr. Gore said after meeting with President Boris N. Yeltsin of Russia, who is in a Moscow hospital recovering from minor nose surgery.

Mr. Yeltsin shocked the United States and the West earlier this month when he denounced plans by the North Atlantic Treaty Organization to expand into Eastern Europe and said that such moves would isolate Russia and create a "cold peace" after four decades of Cold War.

Several days before that, Foreign Minister Andrei V. Kozirev, angry at NATO's efforts to lay the groundwork for its expansion, balked at the last minute at signing the Partnership for Peace, a U.S.-inspired program to establish military ties short of NATO membership. Most of the East European countries and former Soviet republics have already signed onto the program.

Mr. Gore said that the two countries would continue bilateral discussions about NATO "to put all of these questions in proper perspective, which is that of a strong and healthy partnership between the United States and Russia."

Mr. Kozirev and Secretary of State Warren M. Christopher will meet in January to discuss NATO, and Mr. Gore and the Russian prime minister, Viktor S. Chernomyrdin, will continue consultations on the issue.

A senior U.S. official in Moscow said that Mr. Gore, during his hospital meeting with Mr. Yeltsin, had told the Russian leader that inaccurate information from "some of the Europeans" had been given out about how quickly NATO was intending to expand. The United States has not changed its commitment to a very gradual ex-

pansion and only in full consultation with the Russians, Mr. Gore told Mr. Yeltsin, according to the official.

Mr. Gore, the official said, seemed to have reassured the Russian leadership that "we are dealing with them straight" on NATO, but that there were no promises made by the Russians to move forward with participation in the Partnership for Peace.

The vice president said that he and Mr. Yeltsin had briefly discussed the crisis in Chechnya, where Russian troops are trying to bring the breakaway region back under Moscow's control. Fighting broke out several days ago with mounting casualties among Chechen independence fighters, civilians and soldiers. Russia has threatened to storm the Chechen capital, Grozny, if the Chechens did not agree to lay down their arms by Saturday.

"I got the clear impression that they very much prefer a negotiated outcome there, if possible," Mr. Gore said.

Mr. Yeltsin, who went into the hospital last weekend to correct a deviated septum in his nose, seemed "very healthy," Mr. Gore said.

The Russian leader has been criticized for undergoing elective surgery on the eve of ordering thousands of troops to Chechnya. Newspapers have attacked him for failing to explain what the military hopes to accomplish and why it is necessary to risk the lives of so many to rein in Chechnya now.

Before leaving Moscow on Friday, Mr. Gore and Mr. Chernomyrdin signed 15 agreements for further cooperation in space, energy, health and defense conversion. They also signed an agreement to cooperate on preventing pollution in the Arctic, a topic of wide concern since the revelations this fall that a major oil leakage in Russia's far north had polluted huge swaths of tundra.

The only event to mar Mr. Gore's trip was a bomb threat at a school that Mr. Gore's wife, Tipper, was scheduled to visit. Her visit was canceled. The Itar-Tass press agency suggested that the bomb threat had been a hoax.



Vice President Al Gore, left, and Prime Minister Viktor Chernomyrdin exchanging documents in Moscow on Friday.

'Inside Job' Feared In \$3 Million Theft Of Gems in Antwerp

By Tom Buerkle
International Herald Tribune

BRUSSELS — Security concerns gripped Antwerp's diamond district on Friday as the size of the city's worst-ever heist mounted to more than \$3 million.

The police and dealers offered few explanations of how thieves had managed to enter the Diamantkring, or Diamond Circle, the largest of Antwerp's four diamond exchanges, and empty at least eight safe-deposit boxes sometime late Wednesday or early Thursday.

But given the extraordinary security at the exchange, speculation was that the theft was an

inside job, perhaps involving dealers seeking to defraud insurers.

"For the time being, it's a mystery," said a longtime dealer, who spoke on condition of anonymity. The 12-story exchange building "is so well-guarded that anybody who's not a member cannot even get into this place," the dealer said.

The most recent discovery was on Friday, when the police found two safe-deposit boxes that had been entered in addition to six uncovered on Thursday. The police were hindered in their checks at the exchange, which houses about 1,500 safe-deposit boxes, because many members were traveling or are based abroad.

So far, losses are estimated at roughly 100 million Belgian francs' worth of diamonds and foreign currency, or about \$3 million, said Luc Lamine, an Antwerp police spokesman.

Whatever the final loss, the theft was already the worst to hit Europe's premier diamond-dealing center. Antwerp dealers effectively set the global price for investment-grade gems and registered sales of about \$17 billion in 1993.

What particularly worried dealers was the fact that the city's three other exchanges employ essentially the same security techniques as the Diamantkring, dealers said.

The entrance is manned by security guards and monitored by cameras round the clock, and the compact diamond district, which hugs the city's main train station, is patrolled regularly by the police.

A Viral Clue to a Common AIDS-Related Cancer

By Lawrence K. Altman
New York Times Service

NEW YORK — Breaking a long spell of grim news on the AIDS front, a team of New York scientists has announced a preliminary finding that, if confirmed, could have a significant effect on the course of the disease in gay men.

Scientists at Columbia University said they had found strong evidence of an apparently newly detected virus that might cause Kaposi's sarcoma in people with AIDS. Kaposi's sarcoma is the most common cancer affecting gay men with AIDS and one of the principal causes of death in that group.

Experts said the findings, reported in Science magazine Friday, were a highly promising advance that, if confirmed, could rank as one of the most important developments in AIDS research in recent years.

The team, led by Dr. Yuan Chang and her husband, Dr. Patrick S. Moore, used a new technique, reported only last year, to help identify molecular

fragments from at least three genes of the probable new virus.

The fragments, known as sequences of DNA, are unique and seem to place the agent in the herpes virus family, the scientists said. The sequences closely resemble those of the Epstein-Barr virus, which causes infectious mononucleosis and has been linked to two cancers in humans. The agent also resembles the simian virus, a member of the herpes family that causes lymphoma in New World monkeys.

The scientists, emphasizing that their findings are preliminary, said at a news conference that they had not isolated and determined the complete structure of the virus. Even if the virus turns out to be a previously unknown one, they said, more research needed to be done to prove that it was the cause of Kaposi's sarcoma. It is possible that the virus is present in Kaposi's sarcoma only after the cancer develops.

Despite these reservations, Dr. Moore said, "we

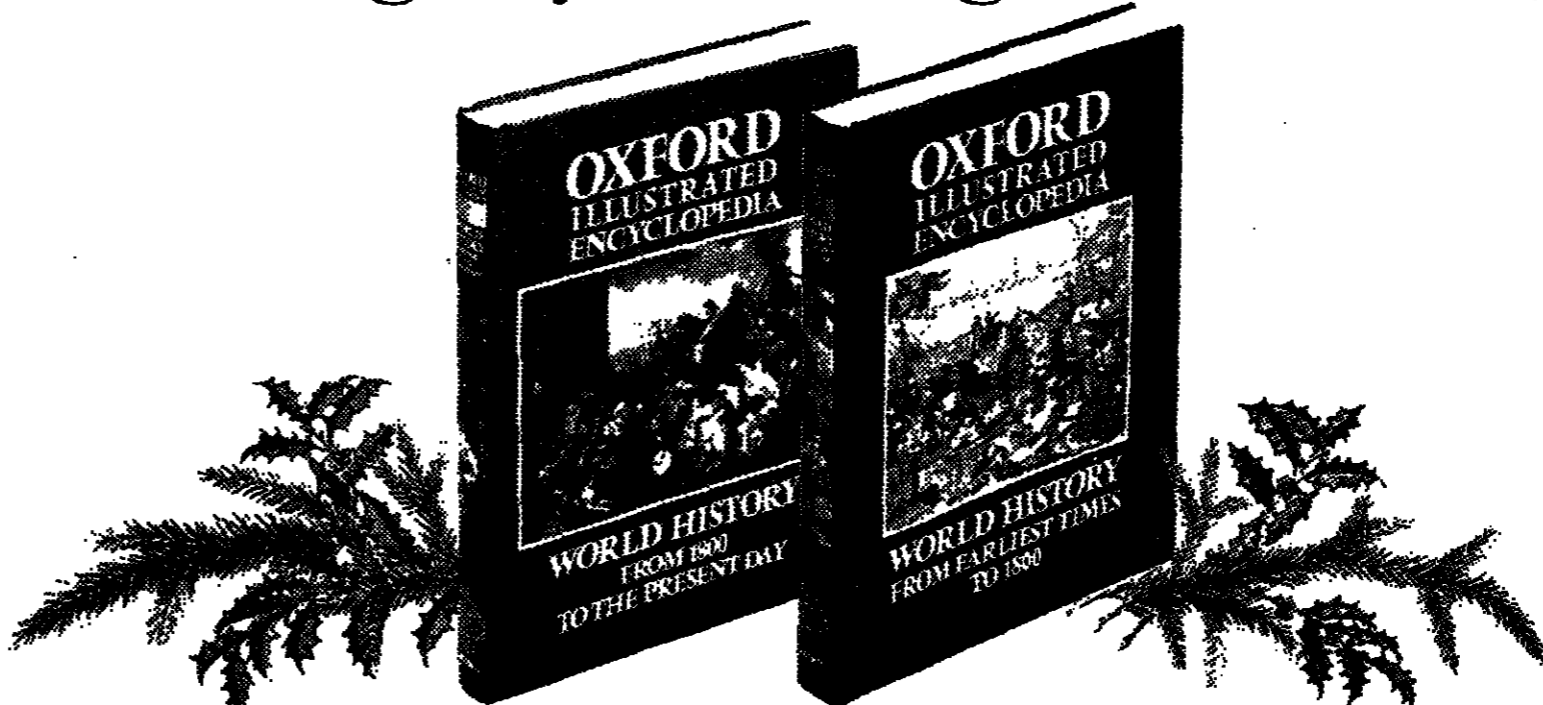
think it is important because it is the very first clear evidence that strongly implicates a specific type of virus" in the development of Kaposi's sarcoma.

The findings hold promise for developing a test for the disease and could lead to effective therapies for it, since some drugs are known to work against herpes viruses. Although some patients with Kaposi's sarcoma have been treated with anti-microbial drugs, there have been no systematic studies of such therapy for Kaposi's sarcoma and herpes viruses, AIDS experts said.

The Columbia researchers said they began hunting for a Kaposi's sarcoma virus about 18 months ago. At first, they tested samples from patients with conditions that were known to the researchers. They then confirmed their findings on samples sent by researchers at other institutions.

"We would like to think it has been confirmed," he said, but added that the work needed to be confirmed further and the findings repeated on hundreds more patients.

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Bosnia: Can Carter Help?

President Bill Clinton takes a great gamble by signing on to Jimmy Carter's first talks with the Bosnian Serbs. He risks creating momentum and a public for a pro-Serb diplomacy that will undercut the plan that the "contact group" of Britain, France, Germany, Russia and the United States has put on the table. Mr. Carter's view that the list of "concessions" he had received from the Bosnian Serbs was consequential suggests a one-sided approach that could provide a nice fig leaf for American, UN and NATO disengagement, but nothing for the bleeding, brutalized people of Bosnia — the "ethnically cleansed" — that this country and its allies and the United Nations once undertook, at least in some measure, to protect.

The Bosnian Serbs control 70 percent of Bosnia but are internationally isolated. Mr. Carter offers them a start on international acceptance, this merely for stopping things — essentially, harassment of UN peacekeepers — that remain unpunished outrages that they should not be paid a nickel for stopping. He opens the further possibility of becoming not just an interlocutor but a validator of Bosnian Serb settlement terms.

It is clear enough why the Bosnian Serbs would be eager to recruit a prestigious former American president, one who promises to be "impartial" as between

victimized Muslims and victimizing Serbs, to help them consolidate their war gains and resume a normal life. Right off, it is a way to deflate contact group pressures to remove UN peacekeepers, who have become the Bosnian Serbs' hostages and should in fact be withdrawn. One also understands the generosity and fatigue that lead many to believe that ending the war now on whatever terms is better than adding to its human and political toll.

But the inconvenient fact is that the victims are still struggling. The Muslim-led government means to fight on at the least to regain the share of its country offered in the contact group's peace plan. Whether this goal can be accomplished is disputable. But certainly the Bosnian government has a claim on those countries, including the United States, that wrote the plan. It is unthinkable that the contact group, having declined to provide military aid or direct military support, would then lend itself even tacitly to a plan written by the aggressors.

The Clinton administration insists it is not going to let the diplomatic ball be taken away from it. If Jimmy Carter can get the Serbs to take small steps that reduce tensions, fine, it says, but it is not abandoning the contact group plan. This is the key position the administration must now enforce.

— THE WASHINGTON POST.

A Healthy Jolt From Delors

Jacques Delors, who has spent the past decade presiding over construction of the European Union, had a good chance of moving on to an even more prestigious job — president of France. Despite public disaffection with his Socialist Party, polls showed him the front-runner to succeed his friend and fellow Socialist, François Mitterrand. But last Sunday, Mr. Delors announced that he would not be a candidate, shocking political insiders and scrambling the presidential race.

Mr. Delors will be missed — especially by the Socialists and those favoring a more federal Europe, two causes now bereft of a popular champion. But his departure could deal a healthy jolt to French political culture, at a time when cynicism, corruption and displays of raw ambition have dangerously alienated voters.

Mr. Delors cited political and personal reasons for declining to make the race. Despite his popularity, he reasonably felt that voters would not be prepared to give him a political mandate to deliver on his center-left, Europeanist ideals.

His concept of activist government combining market economics with a strong social policy, and his vision of a federalist Europe, are now out of favor with most French voters. The political party situation is even less congenial to Mr. Delors's intellectual approach. The Socialist Party leadership stands well to his left, while the current legislature

stands well to his right. Conservatives now hold 480 of 577 seats. New legislative elections could change that arithmetic, but not enough to allow a Delors to put his ideas into practice.

Personally, Mr. Delors is not known for humility, and the prospect of going from unchallenged head of bureaucratic Europe to the rough and tumble of governmental compromise probably did not appeal to him. Already 69, he felt he had done his duty to his party and did not want to end up like his friend Mitterrand, isolated in the presidency and forced to "cohabit" with conservative cabinets.

Mr. Delors, then, had the honesty to recognize that the temper of the times would not allow him to govern according to his convictions, and the dignity to resist deceiving himself and the voters on that score. In an age of cynicism and disillusion with politics, he stands out as the interesting exception — a politician of ideas who preferred to retire with his dignity and legacy intact.

His decision was the right one. His kind of inflexibility, while admirable, is ill-suited for democratic governance. But if the examples of his early appeal and dramatic withdrawal lift the sights of the more conventional politicians who remain in the running, Mr. Delors will have made an especially valuable contribution to the presidential race.

— THE NEW YORK TIMES.

Speaking for His Survival

President Bill Clinton had no choice but to go on television sometime before the holidays. Otherwise he risked being entirely marginalized in the legislative combat that begins on Jan. 4 when the Gingrich-Dole whirlwind hits Congress. Mr. Clinton also faces a crisis of anxiety within his own party. At a minimum, his speech probably showed Democrats that he had the stomach for self-rejuvenation.

Mr. Clinton must be nagged by a sense of lost opportunities. In 23 months, he has skidded from initiator to imitator. But the speech could be a toehold from which he can step with purpose and direction for the difficult two years ahead.

The president showed he had got the message of the election. He has entered the bidding war for the middle class. Gone were details about the millions lacking health insurance. In their place was a "Middle-Class Bill of Rights" that promised tax deductions of up to \$10,000 a year for college, professional and vocational schools. The proposal was aimed at displaced blue-collar workers and, more pointedly, at the suburbanites with children who deserted his party last month.

There were phrases reminiscent of the best of Bill Clinton — a call for a "leaner, not meaner government," a plea to end the politics of "demonization." He promised that his plans would be paid for by offsetting cuts in federal spending. To achieve these cuts, Mr. Clinton built upon the "reinventing government" theme that he and Vice President Al Gore have been pushing, promising to consolidate a wide range of government functions and abolish some.

The Republican response to his speech came from a newly elected senator, Fred Thompson of Tennessee. Mr. Thompson presented a kinder face than Newt Gingrich might have, but his message echoed the victorious tone. If Mr. Clinton means to move in a "new direction," fine. If he does not, "we will welcome the president to follow because we are moving ahead."

Neither party has provided much detail about how it intends to control yesterday's devil, the deficit. But Mr. Clinton's speech was about survival, not fiscal probity. He is doing even worse in the polls than George Bush was when he began his final year. But Mr. Bush seemed disengaged from the task of stopping his slide. Mr. Clinton has at least chosen to grapple with the reality.

— THE NEW YORK TIMES.

Other Comment

An Answer From Yeltsin

The first military expedition embarked on by the Kremlin since the fall of communism has caused much apprehension. It risks enlarging the area of instability in a crucial zone, and signals the return of the Red Army generals after the humiliation in Afghanistan. The Russian attack in Chechnya came the day after the chilly meeting in Budapest between Bill Clinton and Boris Yeltsin. In some senses, the invasion appears to be Mr. Yeltsin's clear answer to the West. It is a worrisome signal.

— Il Messaggero (Rome).

It's Time to Work Out a New Relationship With Russia

By Charles Krauthammer

WASHINGTON — A year ago this week, the American romance with the new Russia received its first jolt. In their first post-Communist election, half the Russian people voted for fascist or Communist parties openly yearning for Russia's lost empire.

Boris Yeltsin, it turns out, reads adverse election returns at least as well as Bill Clinton. Consequently, the jolt on the domestic front has, over the course of

The vision of a Russia acting like Britain or France or postwar Japan now stands exposed as a mirage.

1994, been dramatically translated into Russian foreign policy, a newly assertive, resolutely nationalist policy prepared to challenge Western aims and influence.

The new policy — advanced, to the confusion of the Clinton administration, by the previously friendly Mr. Yeltsin and Foreign Minister Andrei Kozyrev — defines a Russian national interest with two major themes:

1. Local hegemony, re-establishing a sphere of influence over the ex-Soviet Union. Hence the military meddling in the "near abroad" republics of Georgia, Moldova, Tajikistan, Armenia, Azerbaijan.

2. Recognition as a Great Power, demanding a place at the table in deciding the fate of world trouble spots — hence

the challenge to the Western position in various regional conflicts (Iraq-Kuwait, Bosnia-Serbia) as open reassertions of Great Power status.

And last week, as if symbolically to mark the transition, Mr. Yeltsin invaded the small autonomous republic of Chechnya in the Caucasus. Muslim non-Slavic Chechnya had declared itself independent of Russia three years ago. After a clumsy, Bay-of-Pigs-type Russian operation failed to bring down the rebel government, Mr. Yeltsin simply ordered in the tanks, Czech-style circa 1968.

With these actions, the debate about how to deal with Russia really comes to an end. One school viewed Russia as an incorrigibly expansionist and in need of restraining by the West. The other school held that so long as the evolution of Russia along democratic capitalist lines proceeded, the West should do nothing that might jeopardize that evolution. And that to act provocatively — by expanding NATO or objecting too strenuously to Russian incursions in neighboring territory — would weaken the pro-Western voices in Moscow and help to bring about the very nationalist resurgence we were trying to avoid.

The events of 1994 have made the second view moot. Mr. Yeltsin and Mr. Kozyrev have adopted the nationalist line as their own. The Chechen invasion was conducted over the bitter objections of their liberal allies and to the applause

of the fascist Vladimir Zhirinovskiy. The old Yeltsin — who acquiesced to Western aims, sought a "partnership" with the United States, and was accused of being an American doormat — was indeed domestically vulnerable to such Western moves as a NATO expansion.

But the nationalist Yeltsin — the one who wrecked Mr. Clinton's appearance at the Budapest conference on European security by blaming Washington for precipitating a "cold peace" — has cured his domestic vulnerability on the East-West issue. For the newly minted tough guy, a Western challenge is not a threat but a chance to display nationalist credentials. Whatever reasons America might have had, therefore, not to act out of fear of undermining Mr. Yeltsin have dissolved. It is true that Mr. Kozyrev and Mr. Yeltsin still represent the most pro-Western foreign policy that can be expected from Russia. But that clinches the argument.

The vision of a Russia integrated into a Western security system, acting like Britain or France or a reformed postwar Japan or Germany, now stands exposed as a mirage. The truth is far nearer Henry Kissinger's pessimistic view of a Russia determined by habit and history to remain apart from and often opposed to Europe and the West.

What to do? The Clinton administration response to Russia's geopolitical reawakening has been uncertain. It has tried to straddle the issue of Russian apartheid in classic Clinton style: trying to please everyone, promising the East Europeans that NATO membership is a

question of "when" not "if," while at the same time trying to induce the Russians to join the Partnership for Peace, a loose association with NATO that would encompass all the ex-Communist states including Eastern Europe.

On Dec. 1, the Russians finally decided with some theatricality that they would no longer play along. At the NATO ceremony marking Russia's formal accession to the Partnership for Peace, Mr. Kozyrev refused at the last moment to sign on.

Rather than respond to this slap in the face by brushing it lightly aside, as the State Department did, the United States should instead turn the crisis into an opportunity to acknowledge the new Russian reality. Mr. Kozyrev should be told:

Fine. Perhaps you are right. The Partnership for Peace may not be a good idea after all. We cannot bring all the ex-Communist states under a single umbrella. Russia should be treated entirely differently. And it will. Accordingly, the ex-Communist states most clearly limited historically, culturally and geographically to Europe — Poland, Hungary, the Czech Republic and Slovakia — will, in three years time, be brought into NATO. At the same time, NATO will negotiate bilaterally with Russia whatever kind of association Russia deems possible, from friendly cooperation to chilly coexistence. Your call. But the fate of Eastern Europe is not.

The romantic period is over. It's time to work out a new relationship.

Washington Post Writers Group.

Mideast: Hope Is Fast Vanishing and Failure Now Looms Large

By Anthony Lewis

BOSTON — Fifteen months after Yitzhak Rabin and Yasser Arafat met on the White House lawn, the hopes they raised have nearly vanished. The Israeli-Palestinian conflict seems back in the category of the intractable.

Terrorist murders have embittered the atmosphere. The extension of Palestinian rule beyond Gaza and Jericho, a crucial promise of the Declaration of Principles signed at the White House, has not taken place. Mr. Arafat and his Palestinian Authority have lost much ground to Hamas and its fundamentalist opponents of the peace accord.

If those troubles mean the peace plan has failed, Ariel Sharon and other rightist proponents of a Greater Israel will have won. Years ago they said they were planting Jewish settlements in the occupied territories to "create

facts on the ground" — making it impossible for future Israeli governments to compromise for peace. The settlements have kept Prime Minister Rabin from making the political choice on which the prospect of peace depends.

The choice is between two visions. One is of an Israel without roughly its pre-1967 borders, living alongside a Palestinian country. The other is of an Israel exercising ultimate authority on both sides of the line, with its soldiers on duty throughout the West Bank and in Gaza.

The key to that choice is settlements. There are now 120,000 people living in Jewish settlements around the West Bank and in the Gaza Strip. Their presence in the occupied territories has had a series of consequences destruc-

tive of the process envisaged in the Declaration of Principles. The declaration called for Israel to redeploy its military forces out of Palestinian population centers. That was a precondition to the holding of elections for the Palestinian Authority.

But Prime Minister Rabin and his colleagues have been reluctant to move the troops because of fears for the security of settlers. The fear is understandable. But the result has been to prevent Palestinian elections. And those elections are an essential step toward a Palestinian leadership with legitimacy in the eyes of its people — and thus able to govern.

"The urgency about elections," The Economist of London said recently, "is to involve all Palestinians in the peace process. To halt if possible the swing to disillusion — and to terrorism."

The Israeli officials who worked out the declaration with PLO representatives in Oslo well understood that settlements endangered the whole plan.

According to The Jerusalem Post, they would have preferred a straight territorial division, leaving settlers on the Palestinian side of an agreed line to decide whether to stay under Palestinian rule or move. But as Foreign Minister Shimon Peres said, "We did not feel we had the strength" to oppose settlers and their supporters.

Mr. Rabin, an old hawk, now says that Israel can best assure its long-term safety by distancing itself from the Palestinians — which means leaving most of the occupied territories. But he has been unwilling, for political reasons, to begin giving up even highly vul-

nerable settlements, such as the outposts of religious extremists in Hebron and Gaza, which require extensive military protection.

If the settlements make it politically impossible to carry out the Declaration of Principles, the consequences would be tragic for Israel as for the Palestinians. Israel would rule indefinitely over a people with a different dream, a people determined to have their own country.

Frustration of their hopes would no doubt lead more Palestinians to reject Mr. Arafat and the gradualist approach to peace. There would be more Palestinian violence, more Israeli fear and less chance for trust to grow.

It is a grim prospect: so grim that one can only hope the two peoples will draw back and let in the light of reason.

The New York Times.

Bosnia and the Sense of Arms Sales

By Stephen S. Rosenfeld

WASHINGTON — The White House ponders foreign arms sales. Should the United States regard these as politically neutral and perhaps positive, in which case it would let them run free or even promote them for the economic benefits? Or should this commerce be regarded as inherently suspect and perhaps harmful, in which case sales should somehow be restrained, jobs and exports or not? In a sense the Clinton administration's mulling of this issue is outdated even before it culminates in the expected policy statement. The reason can be expressed in one word: Bosnia.

The United States now dominates the global arms trade. The administration rightly asks how it can effectively use arms transfers to influence foreign-policy outcomes and resource-allocation decisions by other states. This question cannot be answered definitively in any single place, but Bosnia provides the most relevant and sobering test.

In Bosnia a particular arms-control judgment was embraced by the United States. The idea that

further arms would simply escalate the battle promiscuously was enforced by key suppliers through the United Nations. The result was that the Serbian side, which already was armed, kept and exploited its advantage, while the Bosnian or Muslim side, which started out poorly armed, found itself unable to acquire adequate supplies and suffered accordingly.

A funeral discussion now proceeds on whether, at this late hour, to open up an international arms flow to Bosnia. I am among those who think it should happen, on the ground that the least rest of us malingers can do for abandoned Bosnia is to give it the option of trying to recoup some of its battlefield losses on its own. But that's another matter. My purpose here is to reflect on the "success" of conventional arms control that produced the fix Bosnia is now in.

Of course, it was not a success, it was a parody. The United States and its partners ran an arms embargo that worked quite well to keep any substantial flow of arms from the Bosnians, who, unarmed and unaided, were un-

able to sustain the independence and integrity of the state they had boldly proclaimed. The embargo handed the field to the Serbs. This is the risk of a narrowly conceived arms control policy that unfolds outside the context of a comprehensive political strategy.

Of the lessons for future Bosnia, the darkest must be that if you are small and beleaguered and alone in the world, then you had better be well-armed and prepared to take care of yourself, or else very cautious, far-seer and accommodating. I can imagine that somewhere sometime a country with Bosnia on its mind, with a nuclear option or an attack option, is going to take it. We may never know. Think of the incredible resonance of terms like "Munich," meaning appeasement, and "Vietnam," meaning quagmire. "Bosnia" now becomes the working metaphor for abandonment.

Of the lessons of Bosnia for prospective arms suppliers, the most urgent must be to anticipate the dilemmas posed by a small country's desperation and dependency. A small country in a jam will hope for arms or direct



Somewhere in Bosnia.

support, in some combination. This is predictable. Unless its well-being is a matter of indifference to us — and there will be such cases — then we must be prepared to respond, and to respond adequately. Otherwise we invite a cascade of costs.

These are the real stakes, present and future, in arms supply decisions of a certain sort: decisions that affect ultimate choices bearing on war and peace and the fate of nations. The common argument over whether arms are for legitimate "self defense" and "stability" or whether their purveyors are "merchants of death" and their purchasers warlords fails to cut to this operative level.

At this level arms supply and

arms control measures become more than instruments of an American global policy. These are, by the way, necessary instruments, since as long as the United States is engaged in the world it will need a variety of instruments short of military intervention to influence events. Arms supply and arms control measures also become expressions of American constancy and reliability.

These are precisely the qualities that Americans and many others have failed to bring to their deliberations on Bosnia. That is why it is hard to take Bosnia merely as a political fiasco. It is also a harsh judgment on our seriousness and character.

The Washington Post.

Lean and Mean, They Kill the Dream

By A. M. Rosenthal

NEW YORK — They were born in a land where work and hope were rights, not dreams, and for the rest of their lives it gave them a spring in their walk. They did not claim the earth, just that part of it they could earn with their muscle and brain. They believed that next year would be better than this one, if not always for them, then surely for their children. Generally they turned out right.

American optimism — for two centuries you could touch it, believe in it, as it built a great nation. No other country in history had an inspiration, a system, a concept, a mixture of people, a gift of God, a heritage that worked as well, created so much for so many.

But now American optimism is withering. If it expires, the epitaph will be: "Dead of lean and mean."

If you are looking for basic meaning in the last election, it is that Americans are beginning to understand that the unwritten contract between them and their society is being torn up.

The understanding was that in bad times everybody would hurt but that if the boss was doing well so would the workers — better wages to take home, more job security to build on.

Unemployment is low — well, if you don't want to count young

black men. Inflation is under control, foreign trade growing, corporate profits generally up, productivity rising. But nobody sings and dances. Instead Americans are edgy. They look for targets — sometimes immigrants, the press, and in the last election the party in power.

They are mad and should be madder. Americans know what is going on — that often it takes a husband and wife to earn what the husband once earned, that in a time that should be prosperous thousands of Americans are fired by companies showing nice profits, that if the unemployed do find a job it is at lower wages, and lower dignity, and that their kids will be lucky to get that much.

Politicians and journalists use new terms for millions of American workers and their children — the losing class, the anxious class. Yesterday's people.

If Americans were not anxious they would be fools. First they lost the right to public security, now that of job or pride. Companies that once built headquarters designed to keep them away; no personal desks, please.

It is no tragedy when either party is thrown out; that is what

elections do. The sorrow is that Republicans and Democrats think the solution is to throw the middle and working class a pizza or two — which is all that tax cuts will get them.

As a conservative liberal and bleeding-heart conservative I hate to see it.

The real comeback chance now is for the Republicans; so far they are not approaching it. I cling precariously to the hope that some Republican of courage — maybe Jack Kemp, maybe Bill Bennett — will campaign for the party to call in its chips to convince business executives that firing thousands in good times or shifting full-time workers to temporary help without benefits is not good business sense but a disaster in the oven.

Give private industry the billions wasted so far on government "retraining" programs. But tax the money back if business does not then show job results.

If leanness-meanness goes on too long and American optimism finally dies, workers may one day fill the streets again. There will be no Franklin Roosevelt to rescue capitalism. A new counterculture can grow, this one not besotted by drugs and narcissism. American business will find out how very mean life can get.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Turkish Troubles

PARIS — [In a letter to the Herald, Cyrus Hamlin writes:] The Armenian atrocity agitation is fast assuming the proportions of a crusade. To denunciatory letters in the press is now added the pulpit oratory, and vast efforts are being made to support the idea that all the troubles in Asia Minor are due to hatred and contempt of the Christian religion on the part of the Turks. The matter in reality is purely political, and bears a striking resemblance to the Bulgarian business of 1876.

These disturbances were foreshadowed in a letter written by Dr. Hamlin last year: An Armenian "revolutionary party" is causing great evil to the mission work and to the whole Christian population of certain parts of the Turkish Empire. It is a secret organization, managed with a skill in deceit known only in the East.

1919: Safer Aeroplanes

PARIS — Mr. Michelin, the French tire manufacturer, has offered a new prize destined to aid the construction of an aeroplane offering the greatest possible security. The prize will be given to the machine capable of flying at 200 kilometres an hour, and which can fly [as slow as] 10 kilometres and land in 5 metres.

1944: Abdication Urged

LONDON — [From our New York edition:] British diplomats are urging King George II of Greece to accept the proposal set forth that he abdicate his throne in favor of a regency of Archbishop Damaskinos of Athens as the best possible way of ending the Greek civil war. It was learned tonight [Dec. 16]. They are in agreement that fighting can be ended if the King gives up his crown.



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صكسان الامل

Japan Acts on School Bullying

6 Teen Suicides Provoke a Ministry Program

Compiled by Our Staff From Dispatches

TOKYO — The Education Ministry ordered teaching officials Friday to introduce programs aimed at putting an end to bullying and other violence at Japanese schools after the suicides of six teenagers over the past three weeks.

"It is important," Education Minister Kaoru Yosano said, "for education authorities to strengthen their relations with students, parents and teachers in their efforts to quickly discover school bullying."

Mr. Yosano instructed all municipal education heads to adopt a five-point package, including a policy to accept students' requests to move to other schools if they are the victims of bullying.

The ministry also ordered teachers to be vigilant for signs of bullying in their schools. Police said Friday that the number of deaths in a wave of student suicides had risen to six, despite appeals to bullied or troubled youths. A 14-year-old boy hanged himself and a 13-year-old boy jumped in front of a moving train Thursday in Saitama prefecture, north of Tokyo. And Jiji Press, quoting police, said a 17-year-old from Ehime prefecture killed himself.

Wave Terrifies Parents
T.R. Reid of The Washington Post reported from Tokyo: The cluster of suicides, widely

covered here on the television infotainment programs called "wide shows," has terrified parents all over Japan. And it has once again focused national attention on the recurrent problem of school bullies ganging up on a few unlucky kids who are deemed somehow to be "different" from the group.

American mothers are famous for saying, "Just because everybody else does it, you

'Every mother I know is terrified,'
Kyoko Otsu, a mother

don't have to go along." But the most famous maternal warning in Japan is, "The nail that sticks up gets hammered down."

When the TV-Asahi network's evening news show asked viewers to fax in their views on the problem, one 19-year-old viewer wrote: "I, too, was bullied, until I figured out the way to prevent it was to make myself fit in with everybody else in every way."

Although organized bullying against a few individuals in school is a long-standing social problem, the number of reported cases has fallen dramatically since 1985, when the government launched a crackdown af-

ter a suicide. There has been a slight increase in junior high cases, but there, too, the number of reported cases is still well below what it was a decade ago.

But, in a homogeneous country that is swept by periodic fads and "booms," Japanese parents are wondering about their own children. "Every mother I know is terrified," said Kyoko Otsu, the mother of a 14-year-old junior high student in Saitama, a suburb of Tokyo.

The latest reports of bullying pose a basic dilemma: The social pressure to conform may be a cause of the pitiless bullying of students who do not fit in.

The individual cases reported here recently are chilling.

Kiyoteru Okochi, 13, who hanged himself Nov. 27, left behind a haunting four-page letter. It said that four students at his school near Nagoya, an industrial center south of Tokyo, had extorted more than \$11,000 from him over three years. They taunted him constantly, he said, and when he could not obtain cash they held his head under water in a river near the school.

The boy and his parents complained to teachers, but the faculty reportedly said the victim needed counseling and did nothing to the bullies. Other students at the school said later that they were aware of the torment.



Japanese troops receiving farewells from colleagues as they left Goma, Zaire, after aiding Rwandan refugees.

Détente Is Leading to India-China War Games

By Reuters

JAMMU, India — India and China have agreed to hold joint military exercises next summer in their first combined defense maneuvers since fighting a border war in 1962, Indian officials said Friday.

The joint exercises will be held along the border in the Himalayan region of Ladakh, officials in the winter capital of the northern state of Jammu and Kashmir said. Defense officials in New Delhi confirmed the exercises.

"It's part of a friendly, mutu-

al, confidence-building measure," a defense official said.

Officials did not say which armed services would be involved.

The decision to hold joint exercises reflects steadily warming relations between India and China, which fought a brief border war in 1962. Last year the two countries agreed to settle peacefully a dispute along their rugged 4,000-kilometer (2,500-mile) boundary.

China claims 90,000 square kilometers in India's northeastern Arunachal Pradesh state. It also regards India's northern Sikkim state as disputed. India says China occupies 33,000 square kilometers in the Aksai Chin region of Jammu and Kashmir.

After Prime Minister P.V. Narasimha Rao of India visited Beijing last year, both countries agreed to a partial reduction of troops along the border.

The withdrawal has enabled India to move troops to other border states to fight separatist insurgencies, including in Jammu and Kashmir, where 17,000 people have been killed over the last four years.

India and China may hold subsequent joint exercises along the border in northeastern India if the maneuvers in Ladakh are successful, officials said.

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BOOKS

WITCHES AND JESUITS: Shakespeare's Macbeth

By Garry Wills. Illustrated. 223 pages. \$25. Oxford University Press.

Reviewed by Michiko Kakutani

HAVING tossed off a highly perfunctory study of leadership in his last book, "Certain Trumpets" (published last spring), Garry Wills happily returns to serious scholarship in "Witches and Jesuits."

His subject, Shakespeare's "Macbeth," clearly lacks the historical significance of the Gettysburg Address — the subject of his remarkable book "Lincoln at Gettysburg: The Words That Remade America" (1992) — but his use of a similar methodology yields some fascinating insights into both the play and its political context.

Wills focuses on the origins of "Macbeth," the play's relationship to events of the day, and its rhetorical structure. He sees the play less as a psycho-

logical study of a man undone

by ambition than as a political allegory about regicide and its apocalyptic implications for a society as a whole.

Wills argues that "Macbeth" is essentially a "Gunslinger play," that is, a play dealing with the unsuccessful 1605 plot against King James I.

To convey the magnitude of the Gunpowder Plot, Wills suggests that the reader "imagine America in the 1950s, and suppose that a Communist cell — made up of Americans acting under foreign direction — has planted a nuclear device under the United States Capitol!"

The president, however, decides a crucial clue, and the device is discovered and disarmed: "The Leader of the Free World thwarts godless communism," Wills says, "vindicating the providential role of the United States in an apocalyptic time of confrontation between Good and Evil."

Wills continues: "And that is the way godfearing English subjects interpreted the attempt on

their sovereign's life and govern-

ment in 1605. . . . A cell of papists — the 'enemy within' of that time, directed from Rome by skulking Jesuits — had trundled keg after keg of gunpowder into a vault under Parliament."

Although the plot was thwarted, Wills says, relief "was tempered with fear that the hand of Rome had come so close to ending legitimate British rule." King James moved quickly to promulgate an official interpretation of the Powder Treason that was meant to allay public anxieties.

As Wills sees it, echoes of this official interpretation can be found in Gunpowder plays like "Macbeth," which boast a similar vocabulary of images and which share a startling constellation of elements, including witches, necromancy scenes, acts of completed or attempted regicide, repeated references to equivocation, and loyalty tests involving deceptive language.

In "Macbeth," regicide lies at the very heart of the plot. It is Macbeth's decision to murder King Duncan that sets the rest of the story in motion, and

Shakespeare depicts that primal

killing as a kind of sin against the natural order of God.

For Wills, the witches who prompt Macbeth to murder are not simply emanations of Macbeth's inner conflicts, as many modern critics have argued, but symbolic emissaries of the Devil, associated quite specifically, at least for followers of King James, with Jesuitical plots against the throne.

Some of Wills's discussion of the supposed curse that has attached itself to performances of "Macbeth" is silly and superfluous. But nonetheless, "Witches and Jesuits" remains a lively and provocative read.

Michiko Kakutani is on the staff of The New York Times.

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11:30 a.m. (near Gare d'Orléans). Tel: 01 89 300-5100 (parsonage) or (01) 89 311-59-33 (office). INFORMATION, church
services, call (01) 89 311-59-33 or (01) 812-415-54.

USA
If you would like a free Bible course by mail,
please contact: "GOSPEL OF CHRIST", P.O.
Box 513, Stamford, Indiana 47881 U.S.A.

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VIENNA CHRISTIAN CENTER & CHURCH
FELLOWSHIP FOR VIENNA'S
INTERNATIONAL COMMUNITY. English
language services. 17, rue de Valenciennes, 1070 Vienna. 6:00 p.m. Every
Sunday. EVERYONE IS WELCOME. For
more information call 43-1-216-7410.

ZURICH-SWITZERLAND
ENGLISH-SPEAKING CATHOLIC MISSION
located at St. Anton Church, Minster-
strasse 63, Sunday Mass at 11:30 a.m.
December 24, Christmas Eve Mass at 7:00
p.m.; Sunday, December 25, Christmas
Mass at 11:30 a.m. Telephone 352-0203.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)
PARIS and SUBURBS
THE AMERICAN CATHEDRAL OF THE
HOLY TRINITY, Sun. 9 & 11 a.m., 10:45
a.m. Sunday School for children and Nursery
care. Third Sunday 5 p.m. Evening, 23
avenue George V, Paris 75008. Tel: 3371 47
or 47-69-15-29 for information.

FLORENCE
ST. JAMES CHURCH, Sun. 9 a.m. & 11 a.m.
& 11 a.m. Rite II. Via Bernardo Rosselli 6,
50123, Florence, Italy. Tel: 39-55-29-44-77.

FRANKFURT
CHURCH OF CHRIST THE KING (Episcopal/Anglican)
Sun. Holy Communion 9 & 11 a.m.
Sun. School and Nursery 10:45 a.m.
Schäferstr. 22, 60323 Frankfurt, Germany.
U1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

GENEVA
EMMANUEL CHURCH, 3rd & 5th Sun.
Sun. 10:30 a.m. & 11:30 a.m. Morning
Prayer, 3 rue de Montbrun, 1201 Geneva,
Switzerland. Tel: 41-22-732-80-78.

MUNICH
THE CHURCH OF THE ASCENSION, Sun.
11:45 a.m. Holy Eucharist and Sunday
School. 11, rue de Valenciennes, 75006 Paris.
Tel: 47-63-74-94.

ROME
ST. PAUL'S WITHIN THE WALLS, Sun.
8:30 a.m. Holy Eucharist & 10:30 a.m.
Choral Eucharist & 12:30 p.m. Choral
School for children & Nursery care provided.
1 p.m. Spanish Eucharist. Via Napoli 58,
00184 Rome. Tel: 39-6-486-3339 or 39-6-474-3599.

BRUSSELS/WATERLOO
ALL SAINTS CHURCH, 1st Sun. 9 & 11:15 a.m.
Holy Eucharist with Children's Church
at 11:15 a.m. All other Sundays 11:15 a.m. Holy
Eucharist and Sunday School. 383 Chaussée
de Louvain, Charleroi, Belgium. Tel: 32-7-384-3553.

WIESBADEN
THE CHURCH OF ST. AUGUSTINE OF
CANTERBURY, Sun. 10 a.m. Family
Eucharist. Parkstrasse 3, Wiesbaden,
Germany. Tel: 49-611-320-87-74.

EUROPEAN BAPTIST CONVENTION
BARCELONA
FAITH FELLOWSHIP INTERNATIONAL
meets at 9:30 a.m., Bona Nova Baptist
Church, Parkstrasse 3, Wiesbaden, Germany.
Pastor Lance Borden, Ph.D. 328-3029.

BERLIN
INTERNATIONAL BAPTIST CHURCH
BERLIN, Parkstrasse 3, Wiesbaden, Germany.
Sunday 10:45 a.m. & 12:30 p.m. Sunday
School for children & Nursery care provided.
Charles A. Wierford, Pastor. Tel: 030-774-4670.

BONN/KÖLN
THE INTERNATIONAL BAPTIST CHURCH
OF BONN/KÖLN, Rheinstrasse 9,
Köln. Worship 1:00 p.m. Calvin Hoque,
Tel: (0228) 470-21.

BRATISLAVA
INTERNATIONAL BAPTIST CHURCH
(English language, evangelized) Zrnovského
2, 81200 Bratislava. Tel: 71-353-67.

BREMEN
INTERNATIONAL BAPTIST CHURCH
(English language) meets at Evangelical-Freikirchliche
Kirchengemeinde, Hohenlohestrasse
Hermann-Böse-Str. (around the corner from
the railway) Sunday worship 10:30 a.m. & 11:30 a.m.
D. Walter, pastor. Tel: 0471-1077-1.

BUDAPEST
INTERNATIONAL BAPTIST CHURCH,
Strada Popa Rusi 22, 300 p.m. Contact
Pastor Mike Kemper, Tel: 212-3930.

BUDAPEST
INTERNATIONAL BAPTIST CHURCH,
meets in Munkacsy Zsigmond Gyermekotthon,
Törökvész utca 48-54, Budapest, 1030 Coffee
Fellowship, 10:30 a.m. Tel: 212-3930.

BULGARIA
INTERNATIONAL BAPTIST CHURCH,
World Trinity Center, 35, Dzhiraf Tzaritsov
Bld. Workshop 11:00. James Duke, Pastor.
Tel: 704-037.

CELLE/HANNOVER
INTERNATIONAL BAPTIST CHURCH,
38100 Celle. Tel: 05141-4616.

DISSELDORF
INTERNATIONAL BAPTIST CHURCH, English
Worship and Children's Church. Sun.
at 10:30 a.m. Meeting temporarily at the
Evangelical-Freikirchliche Gemeinde,
Sondermannstrasse 19, 40220 Düsseldorf.
phone/Fax: 02173-427229 serving the Frankfurt
and Taurus areas. Germany. Sunday
worship 9:45 a.m. & 10:30 a.m. & 11:30 a.m.
10:30 a.m. women's bible studies. Housegroups
- Sunday + Wednesday 19:30. Pastor M.
Lewy, member European Baptist Convention.
"Declare His glory amongst the nations."

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ART

Saturday-Sunday,
December 17-18, 1994
Page 8

Sale of a Manor's 'Treasures' Reflects a New Age of Hype

LONDON — We have entered the age of myths and slogans. The novelty is that their impact is now hitting the art scene. Get the media to talk about "art treasures" and "time capsules," throw in the name of a famous English country house, outlining its history and dwelling on its eccentric characters, and you are close to having another "sale of the century."

Christie's, whose marketing skills are beginning to make those of Sotheby's look conservative, has demonstrated that it takes a homeopathic dose of good objects to pull off a \$21.2 million (\$30 million) sale.

It happened on Thursday of last week in just four hours. The subject was Houghton in Norfolk, built by Robert Walpole. The hard-back catalogue mused about the fate of his descendants, the Marquesses of Cholmondeley, their marriage in this century into an Arab Jewish family from Baghdad, the Sassoons, one of whom married a Rothschild heiress.

By the time the reader was through with the three introductions to the catalogue, particularly the brilliant profile of "Sir Philip Sassoon, BT" by James Knox, he felt part of the family. All there remained for him to get in was to acquire a few baubles. And history has no price.

Starry-eyed buying was in evidence right from the beginning. Gilded bronzes (ormolu in 18th-century English) and porcelain from China with gilded bronze mounts in the Louis XV taste were obviously favorites with Philip Sassoon, and were chiefly responsible for giving a French feel in the Rothschild style to much of the Houghton decor.

It may have prompted what must

have been a royal gift to the family: Lot 10, described as a Regence gilt-bronze and Chinese aubergine-glazed potpourri and cover. The Kangxi porcelain now shows an old repair, and two broken legs in the ormolu mount seem to have been entrusted to the

SOUREN MELIKIAN

loving care of a local plumber — lead solder is smeared on either side of the breaks.

But this damage was dwindle into insignificance by an old label from Buckingham Palace, duly illustrated in Christie's catalogue, as befits such an exalted document. The damaged potpourri ended its upward course at £18,400.

This whetted appetites. Another potpourri of Kangxi, green porcelain with gilded mounts in the best early Louis XV rocaille style, climbed to £47,700. Before World War II, it stood on a Swedish table flanked by two Louis XV armchairs in the "oval drawing room" at 25 Park Lane, one of the Cholmondeley houses, which was demolished in 1946. A black-and-white reproduction faces the full page color, driving home the fact that, broken as it might be, the potpourri was a piece from a Cholmondeley house.

But what buyers wanted most were chunks from Houghton itself. Their first really good chance was a pair of Louis XV potpourris in the form of blue porcelain snail shells. These once sat on a Louis XV table in the "white drawing room." A black and white photograph, following the full page reproduction, again provided the evidence. It sent the two snails to a stunning £104,500, double the high estimate. At least, these are rare and outstanding objects. Their gilded

bronze fittings are fine, the condition is excellent.

This is more than can be said for the two bronze swans that followed. As they came up the auctioneer, Lord Hindlip, read out a notice to rectify the catalogue. One of the swans had had its neck twisted and put back in a different position to make it look like a match to the other.

The "pair" had nothing to do with La Pompadour, contrary to what was suggested in the catalogue. And, according to Michel Meyer, a leading Paris dealer in the French decorative arts who is widely credited with having the best eye for gilded bronze, the swans have nothing to do with the 18th century either. The sculptural handling, particularly in the head and the chasing, point to the Napoleon III era, Meyer says.

Fortunately the buyers were not there for La Pompadour. They were buying Houghton-cum-Rothschild relics. The bill for the pair rose to a mind-boggling £408,500.

There was more to come. Sybil Sassoon, the sister of Philip, acquired from an unspecified source a pair of porphyry vases with gilded bronze handles in the shape of lions and stems designed as coiled serpents on rectangular pedestals. Given the ambitious nature of the objects, lack of provenance is curious.

THE wonderful design is ascribed by Christie's to Ennemond-Alexandre Petitot on the analogy of "a related vase pattern surmounted by cockerels." The model itself is nearly matched by a 1764 engraving by Benigno Bossi. The one difference being the pedestal. It is circular in the engraving and square in the actual objects.

Were the ormolu mounts executed in the 18th century? Meyer maintains that this is impossible. The handling of the heads, he says, has the hallmark of Antoine Louis Barye's age. The scales on the serpent's hide also betray the hand of a mid-19th century bronzemaker.

Not least, the matting in the sunken panels on the sides of the square pedestal was executed with a tool that had a bigger point than was customary in the 18th century, hence the coarsely pitted surface instead of the very fine shading effect favored in the 18th century. Could the pedestals be replacements? No, Meyer replies. The fittings were all done by the same hand. Judging from the furious bidding that culminated in an amazing £1,926,500, there were no doubting Thomases in the attendance or on the phone to Christie's.

Amusingly, one of the most perfect 18th-century objects to be seen anywhere, a "cartel," i.e. a bracket clock with the figures of Pegasus and Perseus, could be bought for £63,500. By the standards of that sale, the high price seems moderate. Add one of the three sets of ormolu-mounted Chinese porcelain sold for £507,500, and that was about it for small 18th-century objects d'art of the highest order. As "time capsules" and "art treasures" go, this one looks pretty much Lilliputian.

That impression was borne out by the furniture. The gems are quickly counted. There were two admirable Boulle marriage caskets on stands that were sold for £1,541,500 to a New York dealer on behalf of a client. This set a record in their category.

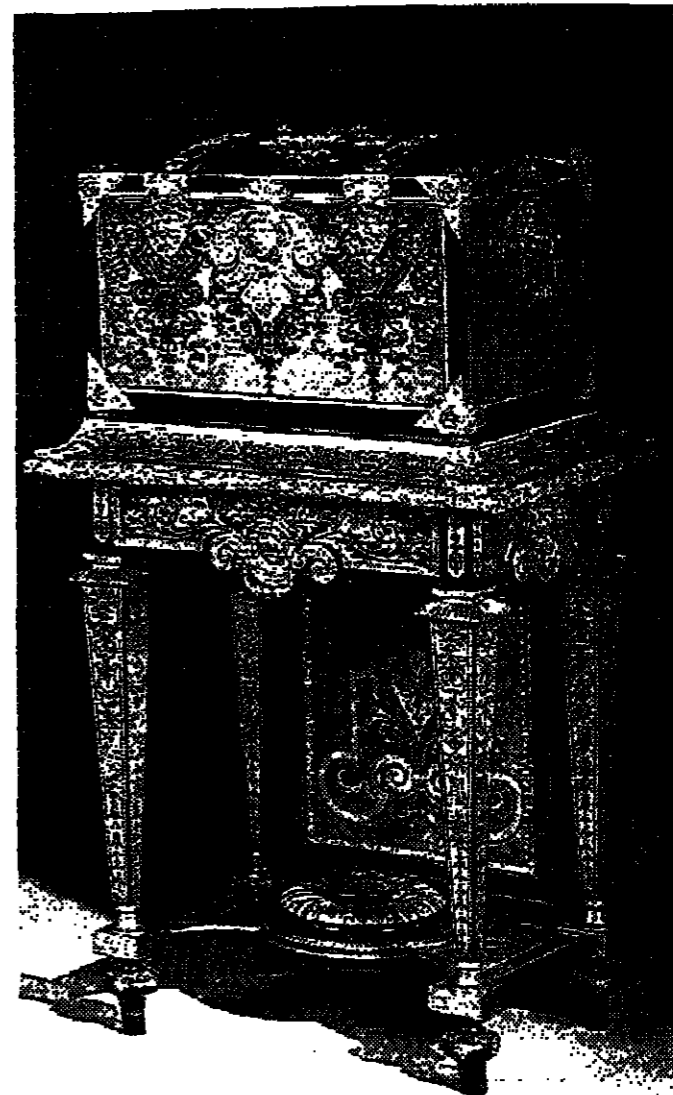
The other great French piece is an ebony display cabinet, probably de-

signed by Joseph Baumhauer, whose signature is stamped on the piece, and perhaps adapted later in the century by Jean-François Leleu, whose signature is also stamped. With its ormolu fittings by the famous Caffieri, it is typical of the earliest wave of French Neoclassical furniture in the 1740s and 1750s. At £903,500, the price may be seen as reasonable in view of its considerable importance to the history of European design.

THERE were a few important English pieces that can be called part of the historic fabric of Houghton. A pair of burr-walnut and parcel-gilt chairs supplied to Robert Walpole as part of a large suite climbed to £287,500. An armchair, striking for the quality of the carving, which was supplied by Richard Roberts, carver and joiner to the Royal Household, on the occasion of the coronation of Queen Caroline in 1727, went up to £287,500.

More surprisingly, perhaps, a record for English 18th-century seats was set by a pair of gilt gesso armchairs from the "Cannon's suite" at an astronomical £881,500. Clumsy in design, they are none too well carved as witness the human mask of plumed "Indians" on the legs.

The sale is a landmark. For the first time gigantic prices were paid primarily for a provenance, regardless of merit, period or style. The good carried the bad. Money was poured over the pieces as if the spenders had been at a loss what to do with it, sending a mix of messages — awareness that art supplies dry up, eagerness to buy the personal belongings of role models, and, most ominously, the triumph of Big Brother culture.



A pair of Boulle marriage caskets sold for £1,541,500.

1902 Art Nouveau Show Recast

By Roderick Conway Morris
International Herald Tribune

TURIN — "Life must be brought closer to art, if art is to be brought back to life," declared the committee of the First International Exhibition of Modern Decorative Arts, held in Turin in 1902.

Art Nouveau, so-called in the French and English-speaking worlds after Samuel Bing's shop in Paris in the Rue de Provence, though still dubbed "Liberty" in Italy (after Aurthur Lasenby Liberty's London emporium on Regent Street) and Jugendstil (after the Munich review Jugend) in Germany and Scandinavia — was then at the height of its fashionability.

Its ubiquitous, sometimes riotous, floral and vegetable motifs, balletically inclined, long-haired, post-Pre-Raphaelite, born-again Botticellian female muses and whimsical love of asymmetry and decoration for decoration's sake were offering a kind of pastoral, Edenesque refuge from the inexorable march of the machine age.

More than 700 pieces, shown in the original exhibition, ranging from furniture, ceramics, glass and metalwork to embroideries, books, prints and photographs, have been painstakingly tracked down and brought back here from all over Europe and the United States, for "Turin 1902: International Decorative Arts in the New Century," a revealing partial re-creation of the most comprehensive international review of Art Nouveau ever staged.

The principal venue is the Promotrice delle Belle Arti gallery in the Parco del Valentino on the banks of the Po, where the temporary pavilions for the 1902 show were built, with an additional section at the City Gallery of Modern and Contemporary Art (both until Jan. 22).

Some countries at the time seem to have regarded the Turin Exhibition as primarily an opportunity for nationalistic drum-



Detail of 1894 poster for architect Paul Hankar, in Turin show.

beating. One French art journal depicted the forthcoming event as "one of the battles in the war involving all nations for supremacy in industrial art, perhaps even a decisive battle," suggesting that it was the patriotic duty of all French artists and industrialists to participate "en masse."

However, the groups responsible for the French entry fell out with one another, and it appeared that there would be no French entry at all. The Dreyfus affair, which in 1902 was still not entirely resolved, the Jewish officer having received a presidential pardon after a second court-martial had again found him guilty of treason, had deeply divided the country in the preceding years.

But when it came to the Turin show, all the authorities involved manifested a remarkable unanimity on one point: that

Bing, the owner of L'Art Nouveau, and Julius Meier-Graefe of La Maison Moderne, the two outstanding promoters of Art Nouveau in France, who were both German-Jewish in origin, should on no account be allowed to exhibit under the French flag. (Both were ultimately granted artistic asylum in spaces attached to the Italian pavilion, where they showed the only French offerings worthy of comment, including a striking stained-glass composition, on view here, designed by Toulouse-Lautrec and made using Tiffany's latest techniques.)

Meanwhile, the German authorities also regarded the occasion as a show window to promote the superiority of their industry and culture, generously subsidizing their contributors — the Kaiser made a personal contribution toward the mounting of the German display.

Raimondo D'Aronco (1857-1932), Italy's leading Art Nouveau architect, was selected by competition to build most of the pavilions — a task he had to carry out mainly by remote control, since he had by then been appointed by the Turkish sultan, Abdul Hamid, as "Imperial Architect to the Abode of Felicity."

Regrettably, D'Aronco is now a little-known figure, partly because many of his delightful buildings in Istanbul have been demolished. But seeing in the current exhibition his highly attractive and evocative watercolor designs for the proposed pavilions, one can easily understand why D'Aronco was the organizers' first choice.

Charles Rennie Mackintosh (1868-1928) and the other Scottish contributors raised considerable interest in Turin, and the originality and stylishness of their work still shines through today.

Among the daring innovations of the 1902 show were pavilions exhibiting photographs (presented for the first time as an art form in Italy), motion pictures, and cars and motorcycles.

The Great Boston Art Heist

Tantalizing Leads, but No Real Clues, in 1990 Theft

By Ralph Blumenthal
New York Times Service

BOSTON — It was an electrifying tip, the kind of promising break that the FBI had been hoping for since the early hours of March 18, 1990, when a brazen robbery team looted the Isabella Stewart Gardner Museum of treasures valued at \$300 million.

Across the world, two American teachers had gone to dine at the mansion of an eccentric Japanese artist and collector. In a crimson ballroom, gaudily adorned with paintings and statues, one of the visitors, who came from Boston, thought he recognized a familiar work: Rembrandt's "Storm on the Sea of Galilee," one of the missing masterpieces from the Gardner.

The sighting last April sent FBI officers, a museum official and Japanese police officers scrambling with a search warrant to the mansion, where a smiling if puzzled host welcomed them with platters of fruit and consternation at the uproar over a reproduction that had hung in his home for 40 years.

The nearly five-year quest to solve what has been labeled the biggest art theft in history has led down many such dead ends, investigators and museum officials say.

There was, for example, the former museum employee who left abruptly and failed a lie detector test. And the onetime Irish Republican Army gunman who was reported inclined to discuss a big art theft before he was shot to death. And the con man who had masterminded a bungled museum theft with haunting similarities to the Gardner robbery.

But investigators say they are far from clueless. In fact, there seemed at times an excess of clues and suspects. But so far no sign of the missing works, which included one of the few known works by the 17th-century Dutch master Jan Vermeer, two Rembrandts, one of them the artist's only seascape, five by Degas and a Manet.

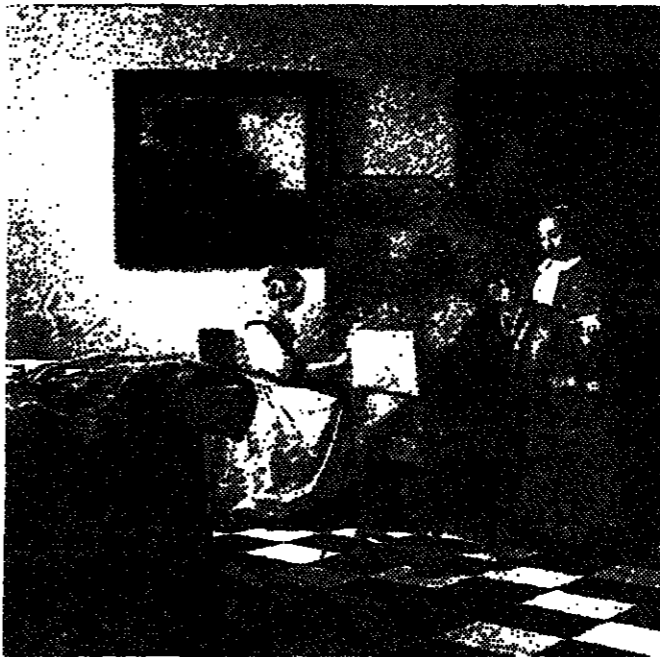
"I can't imagine a whodunit as nightmarish as this, considering the endless pool of potential suspects," said Daniel J. Falzon, the FBI's agent leading the investigation. "It's mind-boggling."

YET, he said, not a day goes by without some piece of information being added to the files, which now take up most of a good-sized wall. Last year, law enforcement officers from all over the world gathered at FBI training headquarters in Quantico, Virginia, to discuss art theft and the Gardner robbery in particular.

The search has been joined in some cases by crime figures and informers seeking a ticket out of jail or other consideration from the authorities, not to mention the \$1 million reward for recovery of the Gardner treasures.

"A lot of people for different reasons are looking for this," said Falzon, 33, a former San Francisco police officer.

Yet the theft seems to have generated little underworld



Among the stolen art works, valued at \$300 million, is Vermeer's "The Concert."

Also among the missing is "The Storm on the Sea of Galilee," by Rembrandt.

This was especially puzzling, as was the decision, by obviously art-savvy thieves, to steal the lesser Degas pictures rather than far more valuable works. It suggests that the robbers may have been under orders to steal the Vermeer and the Rembrandts, and then freelanced the rest.

"We don't know the message," said Falzon. "We don't understand the shopping list."

The Gardner theft was not discovered until the first staff members arrived nearly five hours later, by which time the robbers had made a getaway, taking with them the videotape from surveillance cameras. Fingerprints from the crime scene have yet to be matched to any possible suspect.

BUT investigators were not devoid of clues. The two guards, while badly shaken, were able to provide some description of the robbers. One was said to be in his late 20s to early 30s, 5 feet 7 to 5 feet 10, with short-cropped black hair, a narrow face, squarish gold-rimmed eyeglasses, a shiny dark mustache, apparently fake, and a "possible Boston accent."

The other was said to be in his early to mid-30s, about 6 feet tall or 6 foot 1, 180 to 200 pounds, with puffy black hair and also an apparently fake black mustache. The uniforms and shields may also have been bogus, although the FBI spent many fruitless hours in costume shops and flea markets trying to trace them.

Both robbers carried on their belts square black radios, one of which cracked with barely intelligible voices reciting photocopy code numbers, suggesting the presence of lookouts, a getaway crew and transfer vehicles.

Among the mysteries is what use could be made of the pictures, given their notoriety. "What does a thief do with a Vermeer?" asked William McMillin, a spokesman for the FBI in Boston. "You don't just roll it up and walk into a gallery and say, 'Can I have \$30 million for this?'" Actually the Vermeer, which is considered priceless, has been assigned an arbitrary valuation of \$100 million, a third of the FBI's latest estimate of the worth of the loss.

Terry Lenzer, chairman of Investigative Group Inc., a Washington-based agency that has been advising the Gardner, said the investigation had so far amounted to "years of frustration," with more likely to come. "There's no light at the end of the tunnel, as Westmoreland used to say," he said.

Arnold Hiatt, a Gardner trustee, said there were bouts of gloom about the prospects of recovery and moments of impatience with the FBI investigation. But he said it was consoling to know that such thefts commonly take five to seven years to solve.

Falzon said he was resigned to further disappointments but also hopeful of possible breaks, relishing every twist and turn. "A case like this won't go away," he said.

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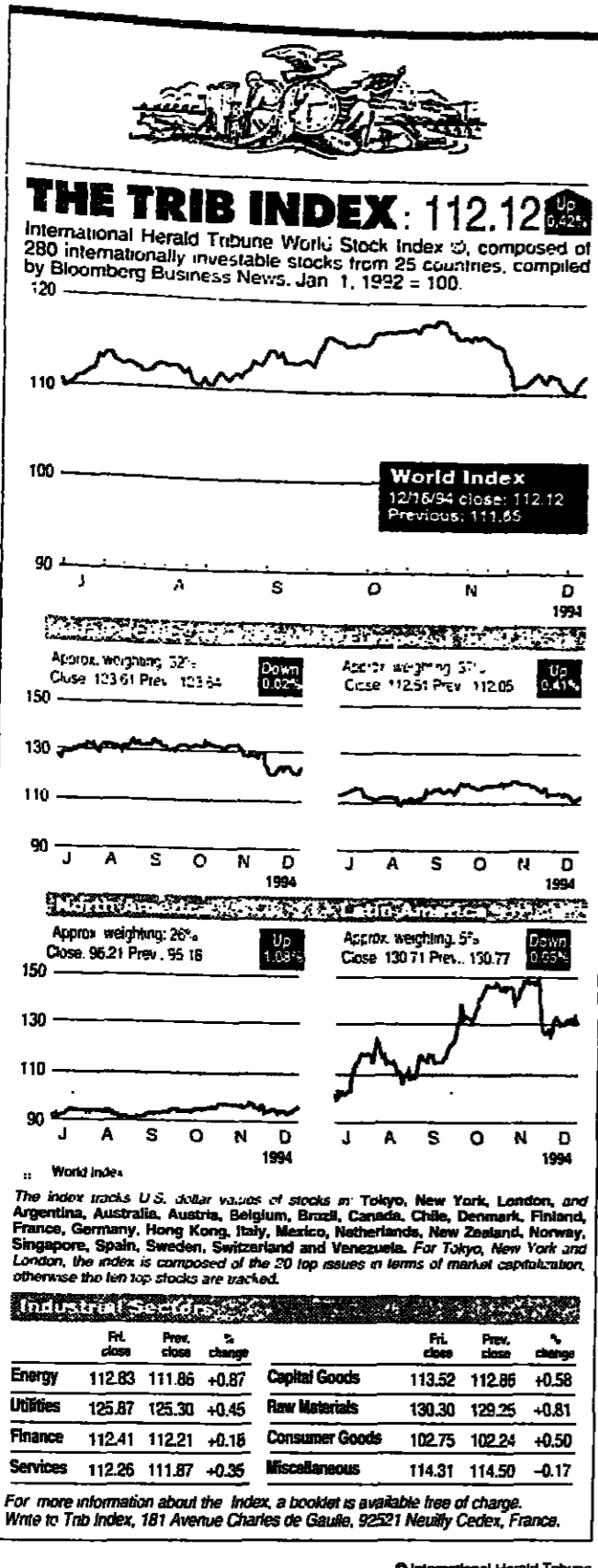
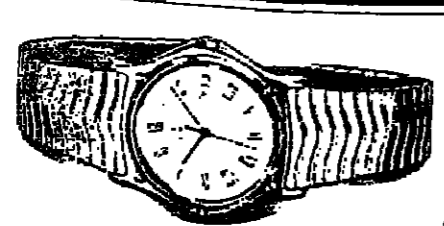
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GE Plans Buyback Program

Dividend Increase Part of Package

FAIRFIELD, Conn. — General Electric Co., which is sitting on a \$3.34 billion pile of cash, increased its dividend by 14 percent on Friday and announced a stock repurchase program of up to \$5 billion over the next two years.

Analysts said GE's strategy indicated that it was having trouble finding takeover targets, its usual method of expansion.

GE's move found favor on Wall Street, where the shares rose \$1 to close at \$50.25 on the New York Stock Exchange.

Moody's Investors Service Inc. and Standard & Poor's Corp. said they would not cut GE's triple-A bond ratings, indicating that its earnings would be enough to cover the cost of the dividend and buyback.

"My gut conclusion is that there is no major acquisition pending at this time in any area," said Donald L. Wampach, a Duff & Phelps analyst.

The fact that they announced a share buyback means in my opinion they aren't looking to make a major acquisition immediately.

The diversified company raised its dividend to 41 cents a share from 36 cents. Wall Street had expected the dividend increase. GE said it expected the repurchase program to increase its earnings-per-share growth rate and its return on equity.

Nicholas Heymann, an analyst at NatWest Securities, said he thought GE wanted an acquisition of an industrial company with large global franchises.

"The critical message is that it's up to \$5 billion, not per se a guarantee," Mr. Heymann said. "It's kind of a like a safety net. If they don't find anything else, it gives them the flexibility to buy if the stock goes down more."

Lawyers on Edge in China

By Kevin Murphy
International Herald Tribune

HONG KONG — Lawyers are supposed to play by the rules, but in China, where regulations and their enforcement often diverge, many foreign legal firms are in the game without permission.

Beijing, it appears, is about to start assessing penalties for unauthorized play.

A high-profile move by the big American legal group, Baker & McKenzie, in withdrawing four lawyers from Shanghai after warnings from China's Ministry of Justice, has sparked concerns in the foreign legal community about its future in a booming new market for its services.

"The ministry has told us they plan to be much stricter in the future, but they haven't said what exactly they intend to do," one Shanghai-based lawyer said Friday. "We really would like to know the ground we are standing on."

In tandem with a surge of foreign investment in China and burgeoning trade, foreign legal firms have scrambled to keep up with their clients' demands for service in a difficult environment.

But, faced with restrictions on the type of advice they are allowed to provide and the numbers of offices they can open, some firms have chosen to go native and flout the rules.

Until now, Beijing looked the other way. Hundreds of law firms are said to have applied for permission to open an office in China and some already allowed one are asking for a green light to expand to a second city.

A large batch of new firms is expected to be allowed in early next year, but lawyers beneath the surface of any debate about market access, foreign lawyers said.

"The whole thing is an experiment for them," one American lawyer in Beijing said of China's decision in 1992 to grant dozens of foreign firms entry to the market.

"China doesn't yet have the sophistication in capital markets, accounting or legal work it needs to enter international markets on its own, but it comes closest in the legal arena," he said. "People are worried they'll keep us under wraps while they develop their own legal skills."

Currently, foreign lawyers are prohibited from giving opinions on Chinese legal questions or forming joint ventures with local firms, which themselves were only allowed to form in 1988.

The constraints rankle many, particularly among the Americans, who cite the generally open access Chinese firms have to the U.S. market and who believe the issue should be on the agenda in the talks on Beijing's acceptance by the General Agreement on Tariffs and Trade.

"No one is telling the Chinese they can open a firm in Washington but not in New York," said one lawyer. "They can practice wherever they pass the bar exam. Here, because I'm a foreigner, I can't even take the test."

China's sensitivity about ceding undue influence over its commercial development to powerful international firms at the expense of its own legal community lurks

Sony and Philips Fire a Salvo in New Video War

By Steven Brull
International Herald Tribune

TOKYO — Firing the first salvo in a looming global video-format war, Sony Corp. and Philips Electronics NV of the Netherlands proposed Friday a system that could play feature-length films on a digital compact disk.

But no sooner had the entertainment industry titans of Japan and Europe finished showing off their system, than officials of a rival group — led by Toshiba Corp. and Pioneer Electronic Corp. — riposted with a salvo of scathing faxes that called the system unworkable.

Sony and Philips are gambling that their system will become the industry's next big money spinner, creating a new standard that will send home video recorders and tapes to the oblivion already shared by eight-track stereo, Betamax videos and quadraphonic sound.

The Sony-Philips disk, which the companies hope to launch sometime in 1996, will be almost identical to a music CD but with five times as much data.

Toshiba's executive vice president, Masaichi Koga, said Sony's system "offered scant possibility of realization." He asserted that the approach Toshiba, Pioneer and Time-Warner Inc. of the United States have been pursuing had the support of Hollywood film makers because it promised superior picture quality and longer playback time.

The crossfire, uncharacteristic of Japan's normally staid executives, raised the specter of a rerun of the mid-1980s format wars between Sony's Betamax and the VHS standard backed by Matsushita Electric Industrial Co., maker of Panasonic-brand goods.

That battle — won by VHS because, although technically inferior to Betamax in video quality, it could play longer tapes — slowed the consumer acceptance of video-cassette recorders. Many consumers were left holding machines capable of playing only Betamax tapes that became progressively hard to find.

"We're still open to negotiating many aspects of the standard," Minoru Morio, Sony's executive vice president, said.

See VIDEO DISK, Page 10

U.S. Suspends Talks With China on Property Rights

HONG KONG — The United States has suspended negotiations with China on intellectual property rights, two weeks before a U.S. deadline that could trigger trade sanctions against Beijing, a senior U.S. trade official said Friday.

U.S. negotiators suspended talks because Chinese officials had made no "serious" offers during negotiations Monday through Wednesday on patents, copyright and other issues that come under the heading of intellectual property rights, said the official, briefing reporters on the condition of anonymity.

"These negotiations were suspended yesterday," the official said. "The Chinese did not make serious offers."

Trade Minister Wu Yi said Thursday that Lee Sands, the assistant U.S. trade representative, threatened retaliation during the talks. China's official Xinhua news agency reported.

The People's Daily quoted Mr. Wu as saying, "The day when the United States produces its list for retaliation will be the day when China produces hers."

The United States has given China until Dec. 30 to enforce laws protecting intellectual property rights. Trade Representative Mickey Kantor could recommend sanctions on \$800 million worth of Chinese goods, the amount that American companies say they have lost to piracy in China last year.

The official said that to satisfy U.S. demands, China must take action against 29 Chinese factories that produce pirated laser and compact disks for export to Hong Kong, Southeast Asia and the United States.

Mr. Kantor could extend the deadline if he judges that China and the United States are close to resolving their dispute. But the U.S. official said piracy had worsened in China during the 18 months that U.S. and Chinese officials have been negotiating.

The official said Chinese factories could produce 75 million compact disks a year, while the domestic market consumes only 5 million disks, suggesting that the rest were being exported.

(AP, Reuters)

ECONOMIC SCENE

Chinese Reforms Hit a Wall

By Patrick E. Tyler
New York Times Service

HONGKONG, China — One year ago, China's Communist Party leadership unveiled a broad program to restructure, sell off or declare the bankruptcy of thousands of state-owned industries whose heavy losses and inefficiency threatened the country's economic expansion.

Endorsed by the paramount leader, Deng Xiaoping, the plan was heralded as a path to fulfillment of China's ambition to create a "socialist market economy" in which free-market forces would guide decision-making. Execution of the plan by the year 2000 became a national priority.

Now, however, the reform of state-owned industries has been frozen all across China, deferred by fears of worker unrest, the absence of a social safety net for the unemployed and a debate within the leadership over how much control the Communist Party should cede over the means of production.

"There is a tremendous amount of contention within the government over what to do with the state sector," a Western economist said.

Chinese and Western economists say that anxiety over Mr. Deng's health this winter and soaring inflation have also paralyzed China's reform process.

More than 70 percent of all investment in China goes into state-owned factories run by managers appointed by the Communist Party, up from 61 percent five years ago. Thus, China's state sector is growing, not shrinking.

There were 1,000 more state-owned factories in China this year than there were in 1993. Their contribution to China's economic

Surplus Expands In Japan

Bloomberg Business News

TOKYO — Japan's merchandise trade surplus expanded in November for the first time since July, as exports of automobiles, computer chips and office equipment surged before the Christmas shopping season.

Japan's global trade surplus grew 15.5 percent in November from a year earlier, to \$8.55 billion, the Finance Ministry said Friday. The surplus was larger than economists' expectations.

Exports to the United States, Asia and Europe all grew. Total exports jumped 21.1 percent, the biggest year-to-year increase in more than eight years.

Japan's politically sensitive trade surplus with the United States jumped 20.4 percent, to \$5.16 billion. Except for declines in October and February, the trade surplus with the United States has grown every month this year.

Imports also were healthy, rising 23.1 percent. Imports, made cheaper by the yen's strength, are proving popular with Japan's increasingly price-conscious consumers and cash-strapped companies.

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German	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Italian	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Japanese	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swiss	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Canadian	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
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Hong Kong	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Taiwan	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Thailand	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Philippines	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Malaysia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Singapore	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Indonesia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Korea	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
China	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
India	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Pakistan	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Bangladesh	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
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Nepal	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Bhutan	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Brunei	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Sarawak	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Sabah	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
East Timor	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Timor-Leste	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Vanuatu	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Samoa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Tonga	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Fiji	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Polynesia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
French Polynesia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
New Caledonia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Wallis & Futuna	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
French Southern Territories	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
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Martinique	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Reunion	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Mayotte	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Comoros	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Madagascar	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Mozambique	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swaziland	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
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Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Namibia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Africa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
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Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Botswana	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Namibia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Africa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swaziland	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Botswana	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Namibia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Africa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swaziland	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Botswana	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Namibia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Africa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swaziland	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Botswana	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Namibia	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
South Africa	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Swaziland	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Zimbabwe	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Botswana	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76
Lesotho	1.00	0.63	0.48	106.50	0.70	0.45	7.76	20.48	3.76</

MARKET DIARY

Earnings Prospects Lift Dow 41 Points

Bloomberg Business News
NEW YORK — Stocks rallied Friday as optimism over corporate earnings combined with the expiration of futures

Treasury bond rose 5/32 point, to 95 30/32, bringing its yield down to 7.85 percent from 7.87 percent Thursday.

Volume on the NYSE was 479.19 million shares, well above the daily average of 303.19 million and the most active day since 608.14 million shares were traded on Oct. 20, 1987, the day after its biggest one-day loss ever. Analysts attributed the heavy volume to so-called triple witching, when futures and options on U.S. stock indexes and options on individual stocks expire simultaneously.

Shares of Goodyear rose 1/2 to 33 1/2 amid optimism about increased demand for tires and improved pricing. On Thursday, Stephen Girsky, an analyst at PaineWebber Inc., repeated his buy recommendation and said concerns that a weakening economy would hurt the company's results were "overblown."

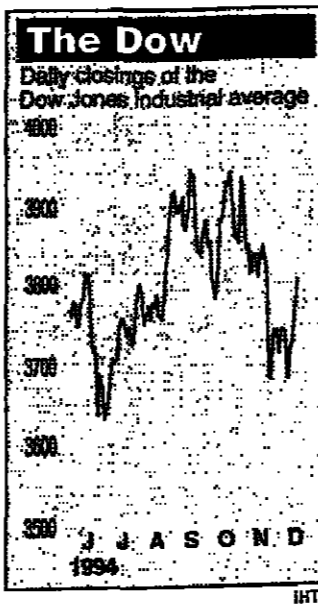
Dollar Awaits Fed Move

Bloomberg Business News
NEW YORK — The dollar gained slightly against the Deutsche mark and retreated against the yen Friday after a surge in U.S. housing starts

But traders discounted the data. "Housing starts have never been a big mover of the currency market," said Dennis Pettit, foreign exchange manager at Long-Term Credit Bank of Japan.

The dollar edged up in late trading to 1.5754 DM, from 1.5711 DM on Thursday, to 5.4145, and to 1.3329 Swiss francs from 1.3270. The pound fell to \$1.5605 from \$1.5630. Against the yen, the dollar fell to 100.225 yen from 100.385.

Subdued inflation numbers and regional Fed reports released earlier this week made investors confident the U.S. central bank would postpone the next rise in rates until next year, analysts said.



NYSE Most Active

Vol.	High	Low	Last	Chg.
Walmart	68.77	68.50	68.75	+0.25
Boeing	71.50	71.25	71.50	+0.25
IBM	112.50	112.25	112.50	+0.25
Microsoft	34.50	34.25	34.50	+0.25
Oracle	45.50	45.25	45.50	+0.25
Intel	35.50	35.25	35.50	+0.25
Cisco	25.50	25.25	25.50	+0.25
Alcatel	20.50	20.25	20.50	+0.25
Lucent	15.50	15.25	15.50	+0.25
WorldCom	10.50	10.25	10.50	+0.25

NASDAQ Most Active

Vol.	High	Low	Last	Chg.
Intel	35.50	35.25	35.50	+0.25
Microsoft	34.50	34.25	34.50	+0.25
Oracle	45.50	45.25	45.50	+0.25
IBM	112.50	112.25	112.50	+0.25
Boeing	71.50	71.25	71.50	+0.25
Walmart	68.77	68.50	68.75	+0.25
Alcatel	20.50	20.25	20.50	+0.25
Lucent	15.50	15.25	15.50	+0.25
WorldCom	10.50	10.25	10.50	+0.25

AMEX Most Active

Vol.	High	Low	Last	Chg.
Goldman Sachs	125.50	125.25	125.50	+0.25
JP Morgan Chase	115.50	115.25	115.50	+0.25
Bank of America	105.50	105.25	105.50	+0.25
Citigroup	95.50	95.25	95.50	+0.25
Wells Fargo	85.50	85.25	85.50	+0.25
US Bancorp	75.50	75.25	75.50	+0.25
First Union	65.50	65.25	65.50	+0.25
Bank One	55.50	55.25	55.50	+0.25
Capital One	45.50	45.25	45.50	+0.25
Discover	35.50	35.25	35.50	+0.25

Market Sales

NYSE	AMEX	NASDAQ
479.19	12.50	12.50
479.19	12.50	12.50
479.19	12.50	12.50

Dow Jones Averages

Open	High	Low	Last	Chg.
Indus	5784.5	5784.5	5784.5	-11.72
Transp	1014.4	1014.4	1014.4	-1.14
Util	182.7	182.7	182.7	-0.25
Comp	1251.0	1251.0	1251.0	-0.25

Series	290.51	290.25	290.25	+1.25
Insurance	308.56	308.56	308.56	+1.25
Finance	177.40	177.40	177.40	+1.25
Transp.	636.39	630.60	633.67	+2.87

AMEX Stock Index				
	High	Low	Last	Chg.
	427.71	425.56	426.24	+0.22

Dow Jones Bond Averages		
	Close	Chg.
20 Bonds	94.39	-0.05
70 Utilities	89.51	-0.17

NYSE Diary		
	Close	Prev.
Advanced	1356	1499
Declined	938	815
Unchanged	643	648
Total Issues	2937	2962
New Highs	20	17
New Lows	58	94

AMEX Diary		
	Close	Prev.
Advanced	302	320

New Highs	210	228
New Highs	10	8
New Lows	15	29

NASDAQ Diary

	Close	Prev.
Advanced	1526	1787
Declined	1483	1344
Unchanged	1936	1989
Total Issues	5145	5142
New Highs	49	52
New Lows	137	172

Commodity	Today	Prev
Aluminum, lb	0.859	0.8
Copper electrolytic, lb	1.41	1.3
Iron FOB, ton	213.00	213.00
Lead, lb	0.44	0.4
Silver, Troy oz	4.805	4.8
Steel (scrap), ton	127.00	127.00
Tin, lb	4.0096	3.96
Zinc, lb	0.5651	0.552

NYSE Diary

Advanced	Declined	Unchanged
125	125	125
125	125	125
125	125	125

AMEX Diary

Advanced	Declined	Unchanged
125	125	125
125	125	125
125	125	125

NASDAQ Diary

Advanced	Declined	Unchanged
125	125	125
125	125	125
125	125	125

Spot Commodities

Commodity	Today	Prev.
Aluminum	1.25	1.25
Steel	1.25	1.25
Iron Ore	1.25	1.25
Coal	1.25	1.25
Oil	1.25	1.25
Natural Gas	1.25	1.25
Grain	1.25	1.25
Wheat	1.25	1.25
Corn	1.25	1.25
Soybeans	1.25	1.25
Cotton	1.25	1.25
Wool	1.25	1.25
Rubber	1.25	1.25
Latex	1.25	1.25
Sugar	1.25	1.25
Coffee	1.25	1.25
Tea	1.25	1.25
Spices	1.25	1.25
Metals	1.25	1.25
Gold	1.25	1.25
Silver	1.25	1.25
Palladium	1.25	1.25
Platinum	1.25	1.25
Nickel	1.25	1.25
Copper	1.25	1.25
Zinc	1.25	1.25
Lead	1.25	1.25
Tin	1.25	1.25
Antimony	1.25	1.25
Arsenic	1.25	1.25
Bismuth	1.25	1.25
Cadmium	1.25	1.25
Chromium	1.25	1.25
Cobalt	1.25	1.25
Iron	1.25	1.25
Manganese	1.25	1.25
Molybdenum	1.25	1.25
Vanadium	1.25	1.25
Wolfram	1.25	1.25
Zirconium	1.25	1.25
Barium	1.25	1.25
Boron	1.25	1.25
Bromine	1.25	1.25
Calcium	1.25	1.25
Carbon	1.25	1.25
Chlorine	1.25	1.25
Copper	1.25	1.25
Fluorine	1.25	1.25
Gold	1.25	1.25
Hydrogen	1.25	1.25
Iodine	1.25	1.25
Iron	1.25	1.25
Lithium	1.25	1.25
Magnesium	1.25	1.25
Manganese	1.25	1.25
Mercury	1.25	1.25
Molybdenum	1.25	1.25
Nickel	1.25	1.25
Nickel	1.25	1.25
Nitrogen	1.25	1.25
Oxygen	1.25	1.25
Phosphorus	1.25	1.25
Potassium	1.25	1.25
Selenium	1.25	1.25
Silicon	1.25	1.25
Silver	1.25	1.25
Sulfur	1.25	1.25
Tantalum	1.25	1.25
Tellurium	1.25	1.25
Tin	1.25	1.25
Titanium	1.25	1.25
Tungsten	1.25	1.25
Vanadium	1.25	1.25
Zinc	1.25	1.25
Zirconium	1.25	1.25

EUROPEAN FUTURES				
Metals				
	Class	High	Ask	Previous
ALUMINUM (High grade)				
Dollar	per metric ton	167.00	167.00	167.00
Spot		167.00	167.00	167.00
Forward	1899.25	1892.50	1900.00	1892.50
COPPER (High grade)				
Dollar	per metric ton	2038.00	2040.00	2038.00
Spot		2038.00	2040.00	2038.00
Forward	2052.00	2052.00	2052.00	2052.00
LEAD				
Dollar	per metric ton	277.00	277.00	277.00
Spot		277.00	277.00	277.00
Forward	63.00	63.00	63.00	63.00
NICKEL				
Dollar	per metric ton	637.00	637.00	637.00
Spot		637.00	637.00	637.00
Forward	657.00	657.00	657.00	657.00
ZINC				
Dollar	per metric ton	845.00	845.00	845.00
Spot		845.00	845.00	845.00
Forward	859.00	859.00	859.00	859.00
3-MONTH SETTLING (LIFFE)				
December - pit in London				
Dec	92.25	92.55	92.56	+0.01
Jan	92.10	92.40	92.40	-0.01
Feb	92.00	92.30	92.30	-0.01
Mar	91.90	92.20	92.20	-0.01
Apr	91.80	92.10	92.10	-0.01
May	91.70	92.00	92.00	-0.01
Jun	91.60	91.90	91.90	-0.01
Jul	91.50	91.80	91.80	-0.01
Aug	91.40	91.70	91.70	-0.01
Sep	91.30	91.60	91.60	-0.01
Oct	91.20	91.50	91.50	-0.01
Nov	91.10	91.40	91.40	-0.01
Dec	91.00	91.30	91.30	-0.01

Friday's Closing
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect site trades elsewhere. Via The Associated Press

(Continued)

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Month	High	Low	Stock	DIV	YTD	PS	High	Low	Latest	QY	QY
Jan	100	90	100	10	100	100	100	90	100	100	100
Feb	100	90	100	10	100	100	100	90	100	100	100
Mar	100	90	100	10	100	100	100	90	100	100	100
Apr	100	90	100	10	100	100	100	90	100	100	100
May	100	90	100	10	100	100	100	90	100	100	100
Jun	100	90	100	10	100	100	100	90	100	100	100
Jul	100	90	100	10	100	100	100	90	100	100	100
Aug	100	90	100	10	100	100	100	90	100	100	100
Sep	100	90	100	10	100	100	100	90	100	100	100
Oct	100	90	100	10	100	100	100	90	100	100	100
Nov	100	90	100	10	100	100	100	90	100	100	100
Dec	100	90	100	10	100	100	100	90	100	100	100

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Chopard

GENÈVE

depuis 1890

Les Bijoux

CHOPARD BOUTIQUES : GENÈVE • LONDON • PARIS • ROMA • WIEN • NEW YORK • DUBAI • HONG KONG •
JAKARTA • KUALA LUMPUR • SINGAPORE • TAIPEI • TOKYO • AND LEADING JEWELLERS WORLDWIDE

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ASIA/PACIFIC

Rate of Inflation Decreases in China

Compiled by Our Staff From Dispatches

BEIJING — China's national inflation rate was 27.5 percent in November, still high but down slightly for the first time in 18 months, according to figures released Friday.

The November rate increase in consumer prices, which compares with November 1993, was lower than the 27.7 annualized rate in October, the State Statistics Bureau reported.

The report Friday was the second this week to indicate easing inflation. On Tuesday, the State Statistics Bureau reported that consumer prices in 35 major cities rose 24.9 percent in November year-to-year, down from 27 percent in October.

Analysts offered mixed reviews of the new figures, however. They warned that Beijing would have to make tough social decisions, such as letting unprofitable state enterprises go bankrupt, if China's inflation rate was to continue to fall.

"China's still showing extremely fast consumer price growth which is not surprising given the growth of the econ-

my," said Jim Walker, chief economist with Credit Lyonnais in Hong Kong.

China's economy is expected to grow 11 percent to 12 percent this year, down from the 13.4 percent recorded in 1993, but higher than the government's forecast of 9 percent. In March, Beijing also predicted an inflation rate of under 10 percent for the year.

"We're entering a period of monetary tightening, with a mini-crunch coming in the first and second quarters of next year," said Ray Farris, senior economist with Crosby Securities. "That should really result in a slowing of consumer buying which should see the core inflation rate falling."

Higher food prices continue to propel inflation. Grain prices in November were up 61.9 percent compared with November 1993, up from the 61 percent rate for October year-to-year, the bureau said. Meat, poultry and egg prices jumped 59.3 percent from November 1993.

(AP, Bloomberg)

Beijing Sells Land Rights

The Associated Press

BEIJING — Beijing, a city of sky-high office prices and round-the-clock construction, held its first real estate auction Friday with one item on the block — a college on a quiet street.

But city officials called the sale a success and a symbol of changes in land use that are reshaping the city.

The winner among five bidders, all from Beijing, was Wang Fusheng, of Fubao Construction & Development Co., a China-Thailand joint venture, who paid 130 million yuan (\$15 million) for a 50-year lease on the former Economic Management College in central Beijing.

Land in China belongs to the government. It can be bought and sold on recently introduced 50-year commercial and 70-year residential leases.

The real estate lease market is booming, with office towers and shopping complexes replacing quiet alleys and old shops.

Also changing is the way property rights are sold. Auctions will gradually replace

private negotiations, according to officials. The first land-use auction in China was held in November in the southern city of Nanjing.

Beijing's first auction was approved by the city's Real Estate Exchange, an agency that supervises transfer of

Long-term leases are the prize in a booming market.

land use rights from the government to private parties.

Fubao Construction is allowed to tear the college's five buildings down and start over on the 9,500-square-meter (102,000-square-foot) plot.

Company officials said they planned to build a club, which could involve restaurants, entertainment facilities and offices. They would not disclose specific plans.

The college, constructed between 1955 and 1987, is on Xizhao Temple Street, a two-

minute drive from the Second Ring Road, a Beijing highway. Despite its prime location, some of the flavor of the old city survives.

The auctioneer, Dominic K.H. Leung of Richard Ellis in Hong Kong, said the price was about 20 percent higher than he expected, and that auctions would probably follow soon.

Demand for office space and Western-style apartments far exceeds supply, and so prices have shot up — by 27 percent in the first half of the year, the official press reported. Beijing's office rents are the third-highest in Asia, after Tokyo and Hong Kong, and higher than Paris, New York and Berlin.

Rents in the best new office towers doubled from \$35 a square meter three years ago to about \$70 now, said Roberto White, who works in Beijing for the Hong Kong-based property group L & D Ltd.

Western-style apartments average \$45 to \$55 a square meter, or around \$9,000 a month for a modest two-bedroom, she said.

Broken Hill Says Profit Is a Record

Compiled by Our Staff From Dispatches

MELBOURNE — Broken Hill Proprietary Co. said Friday that its profit for the first half of the financial year was the highest ever.

Sales of assets, higher copper prices and a surge in iron ore shipments helped the company's bottom line.

The company said profit including a one-time gain in the six months ended Nov. 30 rose 67 percent, to 1.07 billion Australian dollars (\$832 million), from 640 million dollars a year ago.

Broken Hill posted a one-time net gain of 234 million dollars from the sale of its 10 percent stake in Woodside Petroleum Ltd.

Broken Hill is Australia's largest company, with interests in steel, minerals, petroleum, shipping and insurance. The company also holds about 34 percent of Foster's Brewing Group Ltd.

"It is fair to say that we expect a good result for the year," said John Prescott, the company's managing director. "Assuming we continue to achieve high production levels and some better prices, the outlook is favorable."

The company's stock rose 14 cents, to 19.14 dollars.

"It was better than most people's best expectations," said John Bowie Wilson, equities director at Hambros Equities Ltd. (Bloomberg, AFP)

Investor's Asia

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	8,166.39	8,259.56	-1.13
Singapore	Straits Times	2,169.72	2,180.23	-0.48
Sydney	All Ordinaries	1,897.00	1,895.00	+0.11
Tokyo	Nikkei 225	19,163.43	19,121.12	+0.22
Kuala Lumpur	Composite	948.40	950.77	-0.46
Bangkok	SET	1,396.47	1,310.00	+2.02
Seoul	Composite Stock	1,036.76	1,027.99	+0.85
Taipei	Weighted Price	6,611.99	6,623.13	-0.16
Manila	PSE	2,708.99	2,679.85	+1.09
Jakarta	Stock Index	458.78	458.93	-0.03
New Zealand	NZSE-40	1,924.88	1,906.22	+0.98
Bombay	National Index	1,862.99	1,844.18	+1.02

Sources: Reuters, AFP
 International Herald Tribune

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Formosa Plastics Group said a banking consortium led by Standard Chartered PLC and Banque Paribas would provide it with a \$2.55 billion loan to finance production expansions.
- AT&T Corp. said it had laid off 600 production workers from its telephone manufacturing plant in Singapore; that amounts to 23 percent of its total work force in the country.
- Indonesian, Malaysian and Thai business executives signed 20 economic pacts worth \$1.3 billion to increase growth in a triangle encompassing border regions of the three countries.
- Malaysian consumer prices rose 3.6 percent in November from a year earlier, compared to a 3.1 percent rise in October.
- News Corp. is likely to take a strategic holding in Wilson & Horton Ltd., a New Zealand newspaper publisher, The National Business Review magazine said. (AFP, Bloomberg, Reuters)

Ito-Yokado Links Up With Metro

Compiled by Our Staff From Dispatches

TOKYO — Ito-Yokado Co., which controls 7-Eleven convenience stores, said Friday that it had linked with the Swiss-based Metro International AG in a deal that would help it obtain low-priced European goods for sale in Japan.

In exchange, Ito-Yokado will give Metro its know-how on product management and distribution, a spokesman for Ito-Yokado said.

The two groups also are considering developing products together, he said.

Ito-Yokado heads a retail group that owns 70 percent of Southland Corp. of Dallas, which runs 7-Eleven stores. Ito-Yokado and its 7-Eleven Japan subsidiary bought a controlling interest in Southland in 1991, a year after the U.S. company filed for bankruptcy-law protection.

Metro, based in the city of Saar, has a majority interest in the German retailer Asko Deutsche Kaufhaus AG. Asko operates supermarkets, warehouse stores selling discount goods and stores selling home-improvement supplies, furniture and clothing. (AFP, Bloomberg)

Taiwan Stays Put on Foreign Investment

Bloomberg Business News

TAIPEI — A high-profile public hearing on Friday over the role of overseas money at the Taiwan Stock Exchange failed to bring concessions from the central bank, which analysts say is the main opponent of liberalization.

"You can say this is a setback," said John Nelson, research manager of Jardine Fleming Taiwan Securities Ltd.

Many securities industry executives had hoped that the central bank would accept a call by the Securities and Exchange Commission to raise a current \$7.5 billion ceiling on direct foreign investment in the country's stock market.

"It's out of my hands. I'm sorry about this," said Lin Day, chairman of the Securities and Exchange Commission. "It will be decided by the central bank."

Taiwan's main stock index fell 11.14 points, to 6,811.99, because of the meeting's failure, analysts said.

"Prices opened higher on expectations that something would come out of the meeting and fall off when it became clear nothing would happen," said Richard Wu, manager of the NITC Fund.

About 150 people attended the hearing, the first ever that assembled the Securities and Exchange Commission, the central bank and teams of academics to discuss foreign stock investment.

Participants generally endorsed the current government position favoring gradual opening of the stock market.

About \$6.3 billion of foreign institutional investment in Taiwan's stock market has been approved under a program begun in 1991. About \$3 billion of applications are waiting approval, Securities and Exchange Commission officials said.

Under current rules, foreign institutions must obtain permission from both the commission and the central bank before they can bring in funds.

The central bank's reservations about major change were spelled out in a report by Paul Lee, a senior bank economist. He expressed concern about possible instability in equity and foreign-exchange markets, damage to the competitiveness of exporters, and inflation.

As part of the opening of the stock market to foreign funds, the bank wants improvement in Taiwan's securities-trading settlement system and quicker sell-off of government shares in state-run companies, Mr. Lee said.

The failure of the meeting to achieve a consensus in favor of lifting the ceiling makes it unlikely the limit will be lifted soon, analysts said.

The meeting was also a serious setback for Lin Day, head of the Securities and Exchange Commission. His choice of a public venue to try to pressure the powerful central bank ruffled feathers.

CHINA: Industrial Reform Shifts Into Low Gear as the Government Proceeds With Caution

Continued from Page 9

tion left 800 people without jobs, and workers continued to put pressure on city officials.

Finally, the governor of Sichuan Province, Xiao Yang, summoned the city's top Communist Party cadres. He told them their city looked dirty, and they had better go and hire some street sweepers — 800 to be exact. When the workers balked at taking those jobs, Mr. Xiao led the party bosses into the streets for a day of sweeping and bonding with the masses.

"I don't think I've got the time or the energy to do this each time," he said in an interview.

The feared riot was avoided.

but that was the last big bankruptcy in Sichuan Province. Now, the knitting mill is reported to have no work, and its managers recently refused a request to visit.

This year, Mr. Xiao tried a different approach. In April, he mounted a drive to sell off 33 state enterprises to foreign investors. This time, however, before he had a chance to confront angry workers, the plan was halted by the authorities in Beijing.

State-owned enterprises are a far more dominant factor in the economies of inland provinces like Sichuan and Hubei than they are in coastal provinces like Guangdong and Fujian,

where private enterprise has proliferated in recent years.

The unemployment rate in this most populous province is 25 percent higher than the national average, and wages are 15 percent lower. (China's official jobless rate is 2.6 percent, but that is considered a drastic underestimate.) Compared with booming Guangdong Province, Sichuan is enjoying far less of China's economic feast, with \$850 million in pledged foreign investment last year compared with Guangdong's \$9.65 billion.

"We really are in a difficult situation," the governor said. If Sichuan cannot shed the burden of its money-losing

state enterprises, Mr. Xiao may not be able to sweep enough streets to keep the restive population content.

Mr. Deng once said there was no map for reform; it was like "crossing the river by feeling the stones." And China's Communist leaders have long considered their cautious approach to market-style reforms to be a virtue, and a contrast to the "shock therapy" practiced by some of Russia's economic reformers.

But the consequences of deferral are serious, many economists say. A new World Bank study says Beijing's continued central-bank lending to unprofitable state industries is creating a hidden budget deficit that is

three to four times larger than the stated deficit.

"In terms of China's underlying structural problem, things are getting worse, not better," said Mr. Larly. "And the magnitude of the problem they are deferring action on is growing significantly."

Of several hundred thousand state-owned and other enterprises, no more than 1,500 have applied for bankruptcy since China passed its first bankruptcy law in 1988.

If reform goes ahead, "nearly all restructured state enterprises will have to shed labor in large quantities," one World Bank analysis says.

INTERNATIONAL CLASSIFIED

GOING ONCE, TWICE, SOLD!!!

INTERNATIONAL ART EXHIBITIONS AUCTION SALES' COLLECTOR'S GUIDES IN SATURDAY'S INTERNATIONAL HERALD TRIBUNE TODAY PAGE 8

PERSONALS

MAY THE SACRED Heart of Jesus be adorned, glorified, loved & preserved. The world now & forever. Sacred Heart of Jesus, pray for us. Say the prayer 9 times a day, consecrated. It will never be lost. To be sold. Publication must be promised 1/2.

FRANCHISE STUDENT seeks accounts of Woodstock in 1969. Accounts and copies. Write to: Woodstock, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 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NASDAQ

12 Month	Div	Yld	P/E	High	Low	Latest	Chg
High Low Last							
A							
15%	11%	12%	10%	11%	10%	11%	11%
16%	12%	13%	11%	12%	11%	12%	12%
17%	13%	14%	12%	13%	12%	13%	13%
18%	14%	15%	13%	14%	13%	14%	14%
19%	15%	16%	14%	15%	14%	15%	15%
20%	16%	17%	15%	16%	15%	16%	16%
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28%	24%	25%	23%	24%	23%	24%	24%
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72%	68%	69%	67%	68%	67%	68%	68%
73%	69%	70%	68%	69%	68%	69%	69%
74%	70%	71%	69%	70%	69%	70%	70%
75%	71%	72%	70%	71%	70%	71%	71%
76%	72%	73%	71%	72%	71%	72%	72%
77%	73%	74%	72%	73%	72%	73%	73%
78%	74%	75%	73%	74%	73%	74%	74%
79%	75%	76%	74%	75%	74%		

AMEX

[illegible][illegible]

Notes: Figures are unrounded. Yearly highs and lows reflect the previous 12 months ending the current week, but not the trading day. Where a split or stock dividend occurred in the year, the high and low prices are based on the high and low prices of the new stock only. Unless otherwise indicated, the figures are annual observations based on the latest declaration.

— = Not available or data extrapolated.

1 = Annual rate of interest on 90-day T-bill plus stock dividend.

2 = Intraday dividend.

3 = Called.

4 = New yearly low.

5 = Dividend declared or paid in preceding 12 months.

6 = Dividend in Canadian funds subject to 10% non-residence tax.

7 = Dividend declared after split or stock dividend.

8 = Dividend paid this year, omitted, deferred, or no action taken.

9 = Dividend declared or paid this year, on accumulative basis.

10 = Dividend declared or paid this year, on noncumulative basis.

11 = New issue in the year.

12 = In the short of trading.

13 = Price-earnings ratio.

14 = Dividend declared or paid in preceding 12 months, plus stock dividend.

15 = Dividend paid.

16 = Split.

17 = Dividend declared with date of split.

18 = Dividend paid in stock in preceding 12 months, estimated.

19 = New yearly high.

20 = New issue or new distribution date.

21 = In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

22 = and = when distributed.

23 = and = with warrants.

24 = and = with call rights.

25 = and = with rights.

26 = and = stock dividend.

27 = and = stock and cash in full.

28 = and = in full.

BEST COLUMN
Don't Belittle
Money Gift as
Materialism

صكنا من الاله

FIRST COLUMN

Don't Belittle Money Gift as Materialism

THE Christmas holiday season is prime time for hollow sermonizing. The standard formula runs along these lines: What does this Christmas festival really mean in today's cruel world of war, starvation and suffering? Shouldn't those who are materially "comfortable" feel guilty about the hideous excesses of it all?

Fortunately, the spiritual meaning of charity, the ontological significance of the ethic of redemption, and the re-evaluation of Judeo-Christian society is handsomely beyond the scope of this column. But there is one point that cannot be ceded to the Olympian authority of this assortment of preaching clerics (who cynics might say are just trying to drum up as much business as possible this time of year). This is the all-too-common confusion between materialism and money.

The point is this: Even if materialism is bad in principle, money is not materialism. So there is no need to feel that giving a financial gift is in some way shallow, wrong, or somehow not a "real" gift.

A gift of money can be thoughtful for the long term, and positively educational for the recipient. This is only so if the gift is more sophisticated than handing out a few greasy banknotes. To be a true gift, the financial donation needs to be something with a little more implicit thoughtfulness than cash — a mutual fund, a share, a warrant. Just about anything, in fact, that cannot be instantly converted to candy.

If you buy for a young relative you are planning for the future and perhaps helping to raise the child's financial awareness. If you buy for an adult you have the opportunity to do a little kibitzing that will for once be welcomed. Here is one answer to the perennial question of what to buy for the man who has everything, and that's not a Russian Imperial bond; an Indonesian hydroelectric stock, that's that.

M.B.

Sometimes Only Santa's Helpers Can Know What's Best

By Rupert Bruce

YOUNG Thomas Spiers probably won't appreciate all of his Christmas presents. For, while there will be plenty of gaudily wrapped toys from his mother's family under the tree on Christmas morning, all he will have from his father's will be notification of an investment in the Fidelity Funds Emerging Markets Fund.

Maybe, however, he will be grateful when he is a little older. His paternal relations have clubbed together to invest between \$150 and \$450 in the fund for him each birthday and Christmas since 18-month-old Thomas was born. That does not amount to much yet, but they plan to continue until he is old enough to spend the money. They hope he will put it towards something worthwhile like university fees.

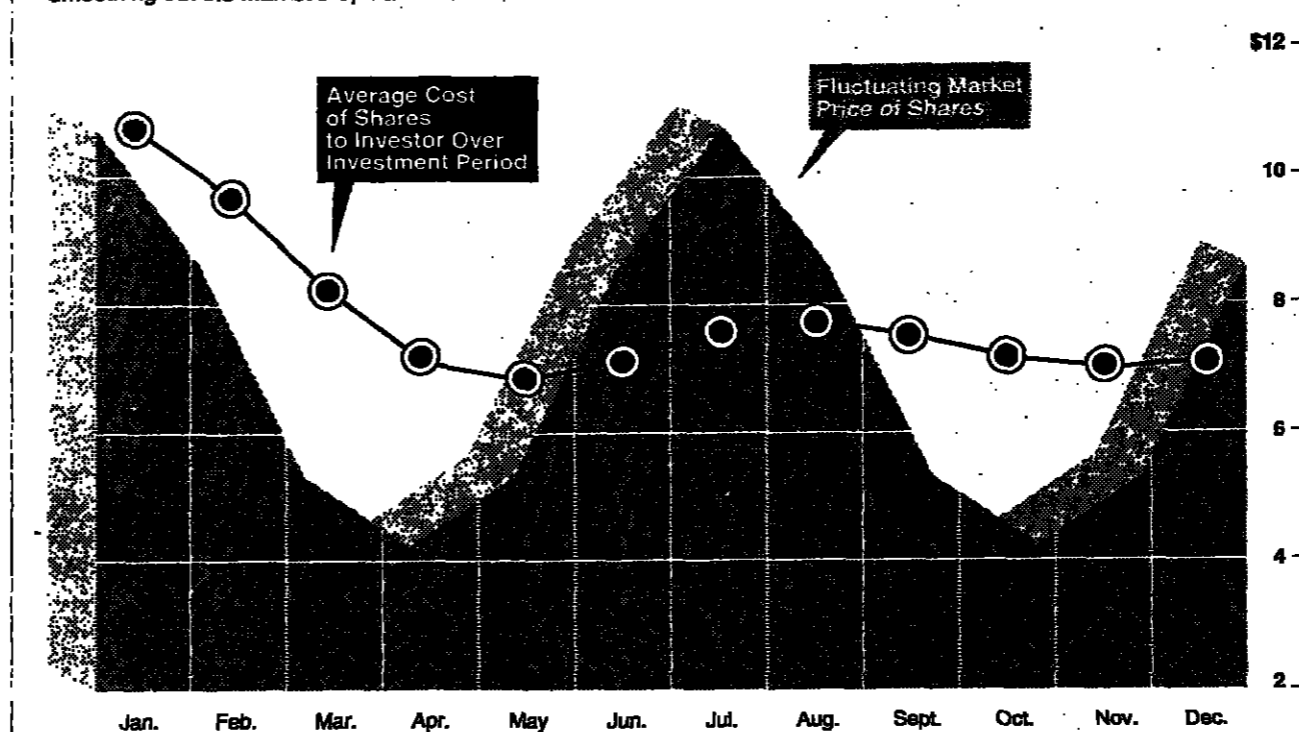
Judy Delaforce, his aunt, is a media relations executive at Fidelity Investments' European headquarters in Hildenborough, a small town in the English county of Kent, so she is well versed in the benefits of regular saving.

"Some people give newborn babies presents, but we give him money for his future," said Mrs. Delaforce. Experience acquired in her job led to this choice of gift. She has chosen the emerging markets fund in particular because she believes funds investing in such markets will outperform those that buy shares in developed markets over the next 20 years or so. And she has decided on a regular and disciplined approach to saving because this makes use of a shrewd investment technique called dollar-cost averaging.

The main advantage of this is it removes any chance that investors are buying into the market at its peak. Statistics show that small investors have a tendency to do just

Dollar-Cost Averaging Illustrated

Smoothing out the Market's Ups and Downs



Source: Merrill Lynch

that — they buy at the top, and inevitably suffer when the market falls. By investing on a regular basis the peaks and troughs of choppy financial markets are smoothed out.

"If you do not want to save on a monthly basis, timing is key to your investment return, and who amongst us has a crystal ball," said Mrs. Delaforce.

But dollar-cost averaging does more than merely smooth out the peaks and troughs. Gregg Durett, a vice president in mutual fund marketing at U.S. brokerage company Merrill Lynch, Pierce, Fenner & Smith in New York, contends that because you get more shares for your dollars when the price is low than when the price is high, the average dollar cost of your shares will be less than the average market price.

In an example he shows that anyone who invested a sum of \$100 a month for 12 consecutive months — during which time the price fluctuated between \$5 and \$10 — would have bought shares at an average cost of \$6.7. This compares with an average price of \$6.67. An investor who made a lump-sum commitment at the same cost would either have been very skilled or very lucky in his timing.

Thanks to its obvious advantages, dollar-cost averaging has been catching on all over the world during the last few years. Mr. Durett says a few canny investors have been using the technique to buy equities and mutual funds since the 1970s. But during the last 10 years, financial services companies have been preaching the gospel of dollar-cost averaging to their customers and it has become accepted.

Janus Funds, the "no-load" mutual fund company based in Denver, started an experiment called the No Minimum Initial Investment Program in 1989 with one of its funds. This allowed savers to set up regular transfers of funds from savings or checking accounts which were subject to no minimum. The initiative was a huge success, and one that Janus soon adopted for its entire range of 13 funds. It will not quantify exactly how successful it has been, describing the program simply as "enormously successful."

A spokesman for Janus says there is always a spate of new savers at Christmas. Many of them are parents, or grandparents, making investments for children, she adds. This money is apparently destined for various ends. Among the most common are: help with education fees, and a

lump sum to give students a start when they leave college.

In Britain, regular savings plans have been an important ingredient in the re-emergence of investment trusts, investment funds that are listed on the London Stock Exchange, as popular savings vehicles. After small beginnings when the first schemes were launched in 1984, investment through savings schemes has increased in the 1990s and this now accounts for a total of £358 million (\$1.3 billion).

Regular saving is also growing in popularity offshore and in Europe. Fidelity reports it has a savings plan attached to its Fidelity Funds Luxembourg-based range of funds. And the Fleming Group, another leading international mutual fund manager, has introduced regular savings into its Fleming Flagship fund range. These products are also based in Luxembourg, in response to popular demand from German investors.

Dollar-cost averaging works best of all in volatile markets. "The more the volatility of the market the better this works," said Mr. Durett. "In a flat market it will not be as useful to the client as it would be in fluctuating markets." This is obviously because the mechanics of buying more shares when markets are low and less when they are high will only work well if the markets fluctuate rather than stick to a gently rising path.

For this reason, experts do not recommend regular investing as a way of buying fixed interest investments like bonds or bond funds. With the possible exception of the last year, bond markets are much less volatile than equity markets.

Dollar-cost averaging is a system that makes expert market timers of us all. If this Christmas is true to the pattern of gently rising popularity, then more children than ever will receive contributions to regular investment programs. This is more than a gift of money. Children will also get a bit of financial savvy. It is a gift that probably won't spark the enthusiasm of the latest Sega Megadrive, but will be better appreciated in years to come.

The Money Report is edited by
Martin Baker

Financial Gifts

Page 17

Avoiding tax traps
Penny share punting
The kids' portfolio
Offshore trusts' attractions



Slip a Derivative or Two Under the Tree

By Digby Lerner

AT FIRST sight the idea of using volatile and complex financial products like derivatives to give money to friends and loved ones may seem reckless. Although investments of this type often offer the chance of high returns for relatively little outlay they can also sink without trace with alarming speed should stock markets fall. Certainly not a suitable choice for widows and orphans — or residents of Orange County, California.

But there is more to derivatives than meets the eye. Apart from adding spice to investments they can, in some circumstances, also be used to protect them.

Options, in particular, are used by a growing number of investors to help deliver stock market gains while limiting the downside risk.

An option gives investors the right to buy or sell a share, commodity or other entity, for a set price at some date in the future. It costs only a fraction of the value of the share itself and can be a cheap way of profiting from falling or rising markets.

If the market falls, those holding options to sell at today's higher prices are the winners. In a rising market options to buy shares at today's lower prices are the ones showing a profit. The only downside risk is the cost of the option should the market not perform in the way the investor expected — something that can be accounted for from the start.

The obvious warning is that using options successfully depends on how good the investor is at second-guessing the market; a skill often sadly lacking even among professional fund managers.

In combination with safer, more predictable products like interest-bearing deposits or zero coupon bonds, however, options can help package a gift which both protects capital and benefits from future stock market gains.

Tony Thomson, chief investment officer with the fund manager Foreign & Colonial in London, says this makes them an ideal way of giving money. "The nicest way to use these things is to spend, say, 90 percent of the money on zero coupon bonds and use the rest to buy an index option; effectively using the interest on the investment to buy a call on the market. That way, instead of the person having an investment that will jump all over the place, they have something that, at worst, will pay them the amount of the original gift."

He added that because zero coupons or interest-bearing deposit will be based on a set term such gifts can be arranged to mature at a useful time for children, say at 18 or 21 years of age.

"Fund managers may not thank me for saying it, but apart from a few added extras, like insurance, you find that you're paying hell of a lot for something that a reasonably competent nonprofessional could probably do for themselves."

The warrants market has also proved popular for private investors during 1994 say some analysts. Warrants, like options, give investors the right to buy shares at a set price sometime in the future.

They can also be traded, their value rising or falling depending on the performance of the share they represent.

Because they are usually cheaper than the share itself, warrants are another way of gearing an investment. Investors can

gain exposure to the market at a lower cost than if they bought the company's shares directly.

However, the warrants market can be extremely hard to predict, analysts warn. The value of a traded warrant depends on more than the typical demand and supply factors affecting the stock market. Where and when they were issued, interest rate movements and their expiry date also play a part.

Andrew Watkins, an analyst with Fleming Investment Trust Management in London, says there has been a trend this year toward companies giving away warrants with new share issues as a way of tempting investors into the market but he doubts this will continue into 1995.

"There has been a lot of press speculation in the United Kingdom about how these warrants were not worth issuing," he said. "The problem is that many of the people who bought new issues and subsequently got a warrant didn't know what it was."

He fears that all too often such warrants will be left untouched until they expire.

Analysts also warn that in today's market warrants may be especially risky. Rupert Lowe, an analyst with Kleinwort Benson in London, says the rough ride suffered by warrants this year is unlikely to improve during 1995.

"Frankly," he said, "I think the outlook is pretty bleak. You've still got severe budget deficits in some countries and relatively low growth in most Western economies. Really the last thing you would want to do at the moment is get into some kind of leveraged instrument."

BRIEFCASE

Banque Cortal Unveils France Rendement Fund

Banque Cortal, the Paris-based-owned mail-order bank that runs a successful interest-bearing checking account, is launching a bond fund. The SICAV France Rendement will commit money to a variety of government bills and French debt.

For more information, write Banque Cortal, 131 Avenue Charles de Gaulle, 92571, Neuilly-sur-Seine, France; or call Paris (33 1) 47 38 93 00, fax (33 1) 47 45 14 79.

Guinness Mahon Guernsey Sets a Currency Facility

Guinness Mahon Guernsey is offering users of its 25-currency offshore bank account a currency borrowing facility. This is, according to the bank, a consumer-led move.

"During the recent bout of dollar weakness, we had an increasing number of requests to borrow sterling against dollar balances from customers who needed sterling cash but were reluctant to convert their dollars," said the bank's managing director, Carol Goodwin.

For more information, call Guinness Mahon Guernsey, at Guernsey (44 481) 723 506.

Sant Cassia Management Offers Global Macro Fund

Sant Cassia Investment Management, a member of the Securities and Futures Authority, is launching a new vehicle entitled the Global Macro Fund. Domiciled in the British Virgin Islands, and listed on the Dublin stock exchange, the fund will seek to provide capital growth with a minimum of risk. The objectives are ambitious: The fund's brochure details a hoped-for "annual return of 15 to 25 percent with consistent month-on-month performance."

The fund will commit its money to the foreign exchanges, government debt, stock indexes, energy, and precious metals.

The charging structure, in addition to variable annual fees, includes an incentive on the managers' fund, at 20 percent of capital profit after investors have cleared 5 percent net of annual charges for fully paid shares.

For more information, write Custom House Asset Management Ltd., 31 Kildare Street, Dublin 2, Ireland.

Fleming Trust Management Proposes a Share Exchange

Fleming Investment Trust Management is offering investors who hold shares in "extractive industry" companies (such as Ashanti Goldfields, RTZ, Minorco, English China Clays, etc.) the opportunity to exchange them for a stake in one of its range of 18 investment trusts (quoted closed-end mutual funds). The exchange will be done at a cost of £7.50 (\$11.25), and investors will pay a transaction charge of 1 percent, up to a maximum of £50.

Fleming says that some \$300,000 of shares pass through its share-exchange scheme each month. "The purpose of [the scheme] is to give investors exposure to a wider portfolio rather than relying on the fortunes of just a few companies, so creating a more prudent and solid approach to share ownership," said Patrick Gifford, chairman of Fleming Investment Trust Management.

The offer is open until the end of December.

For more information, call the Fleming Helpline number at (44 71) 382 8800.

In next week's Money Report: international intermediaries.

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SPORTS

High-Stakes Duel for Vikings and Lions

VIKINGS (9-5) AT LIONS (8-6): Key stats: The Lions have averaged 29 points in their last three games. The Vikings defense is No. 1 against the run, giving up 65.5 yards a game.

Comments: The Vikings can clinch the NFC Central championship with a victory. The Lions can keep their playoff hopes alive. Both teams have winning streaks going, so they enter the game hot. Detroit quarterback Dave Krieg has had a relatively mistake-free run since taking over as starter five games ago. He's thrown 11 touchdowns and 1 interception.

NFL MATCHUPS

tion. It could be a shootout, in which Warren Moon could stand tall, but odds-makers favor the Lions by 1 1/2 points.

BRONCOS (7-7) AT 49ERS (12-2): Key stats: The Broncos have gotten 40 first downs by penalties — most in the NFL. Steve Young has completed 71.7 percent of his passes inside the opponents' 20-yard line.

Comments: The 49ers have been the model of efficiency the last few weeks, winning 9 straight games — the longest streak in the league. Everything they're doing now seems like just a dress rehearsal for the big show. John Elway is expected to return for this game after missing last week's game with a sprained knee. 49ers by 14.

CHARGERS (9-5) AT JETS (6-8): Key stats: The Jets have scored two touchdowns in the last 10 quarters. The Chargers defense is No. 1 in the AFC against the run, giving up an average of 85.1 yards a game.

Comments: It seems like the Chargers have been trying to clinch the AFC West for about a month. They've gone 3-5 over the last two months and it hasn't helped their cause. A victory against the Jets can clinch the division for them. The Jets are in the position to play spoiler, but they might not have enough left to make a good go of that. To beat the Chargers they'll have to slow down Natrene Means and Boomer Esiason will have to go up against one of the

most underrated secondaries in the AFC. Chargers by 2 1/2.

FALCONS (6-8) AT PACKERS (7-7): Key stats: The Falcons average 78.6 yards a game rushing, which is last in the NFL. Sterling Sharpe's 14 receiving TDs is most in the NFL.

Comments: The Packers have averaged 34 points in their last three games and Brett Favre and Sharpe have been on fire. The Falcons run-and-shoot offense is also capable of putting up some huge numbers. Whether they'll be able to keep up with Green Bay is another matter. Packers by 6.

RAMS (4-10) AT BEARS (8-6): Key stats: Steve Walsh has thrown four interceptions in the last three games. The Rams are giving up an average of 13.1 yards per punt return — the most in the NFL.

Comments: Walsh and the Bears have taken it on the chin the last two weeks and have lost their grip on the lead in the division. But they still have control of their playoff hopes. The Rams have lost five in a row and aren't going anywhere. Jerome Bettis needs 30 yards to get his second straight 1,000 yard season. Tampa Bay shut him down last week (23 yards on 13 carries). Bears by 6 1/2.

PATRIOTS (8-6) AT BILLS (7-7): Key stats: The Bills defense has not allowed a 100-yard rusher this season. The Patriots lead the AFC in time of possession (31:57).

Comments: Jim Kelly is out for the season with a knee injury and if the Patriots win, the Bills season could be over shortly as well. Frank Reich will have the task of trying to resuscitate the Bills and keep their playoff hopes alive. He'll have to do it against a Patriots defense that is playing with confidence. Bills by 14.

BUCCANEERS (5-9) AT REDSKINS (2-12): Key stats: Eric Ruffett has rushed for 100 yards or more in four of the last five games. The Redskins defense has given up a league-high 374 points.

Comments: It's the second game between these teams in the last three straight victories. For the first time since

1982, Ruffett has been at the fore of that streak. Too bad the Redskins haven't found that kind of threat. The Bucs held them to 10 yards rushing the last time the two teams played. Redskins by 2 1/2.

GIANTS (7-7) AT EAGLES (7-7): Key stats: The Eagles are averaging 4.2 yards per carry, which is No. 2 in the NFL. In seven of the last nine games, the Giants defense has held opponents to 20 points or less.

Comments: Two teams with identical records, but heading in completely opposite directions. The Giants have won four straight while the Eagles have lost five. The loser of this game is out of the playoff race. The Eagles coach, Rick Kneib, has benched Randall Cunningham in favor of Bobby Brister. Will it be enough to shake up Philadelphia? Eagles by 4.

BENGALS (2-12) AT CARDINALS (7-7): Key stats: The Bengals are -19 in turnover ratio. The Cardinals have 976 yards in penalties — No. 2 in the NFL behind the Raiders (1,086).

Comments: The Bengals came close to knocking off the Cardinals last week, so the Cardinals can't afford to take them lightly if they want to maintain their playoff hopes. Blizzing the Bengals too much could prove to be a mistake. Jeff Blake has a way of finding receivers deep. Arizona seems to have found an effective way to move the ball, using a short passing game with running back Larry Centers. Cardinals by 8.

BROWNS (10-4) AT STEELERS (11-3): Key stats: The Browns have allowed a league-low 13 sacks. The Steelers lead the NFL with 53 sacks.

Comments: This will be a bruising battle between two of the NFL's toughest defenses. The Browns have given up a league-low 178 points and the Steelers are second, giving up 190. Neither offense will light up a scoreboard. Barry Foster returns from a back injury. He could help the Steelers win a ball-control war. Steelers by 3 1/2.

OILERS (1-13) AT CHIEFS (7-7): Key stats: Oilers quarterbacks have been sacked 59 times — the most in the NFL.

Comments: Joe Montana could return to the lineup after missing the last

two games with a sprained foot. The Chiefs will need him to stop their three-game losing streak and salvage their playoff hopes. The Oilers aren't going anywhere and are in an excellent position for the No. 1 pick in next year's college draft. Chiefs by 9 1/2.

DOLPHINS (9-5) AT COLTS (6-8): Key stats: The Dolphins have scored 76 points in the last two weeks. Ray Buchanan has an interception in each of the last five games.

Comments: With the victory over Kansas City on Monday night, Miami put an end to the questions about whether it would suffer a late-season swoon similar to the one that knocked it out of the playoffs last season. The Colts have a good runner in Marshall Faulk and not much else. Dolphins by 4.

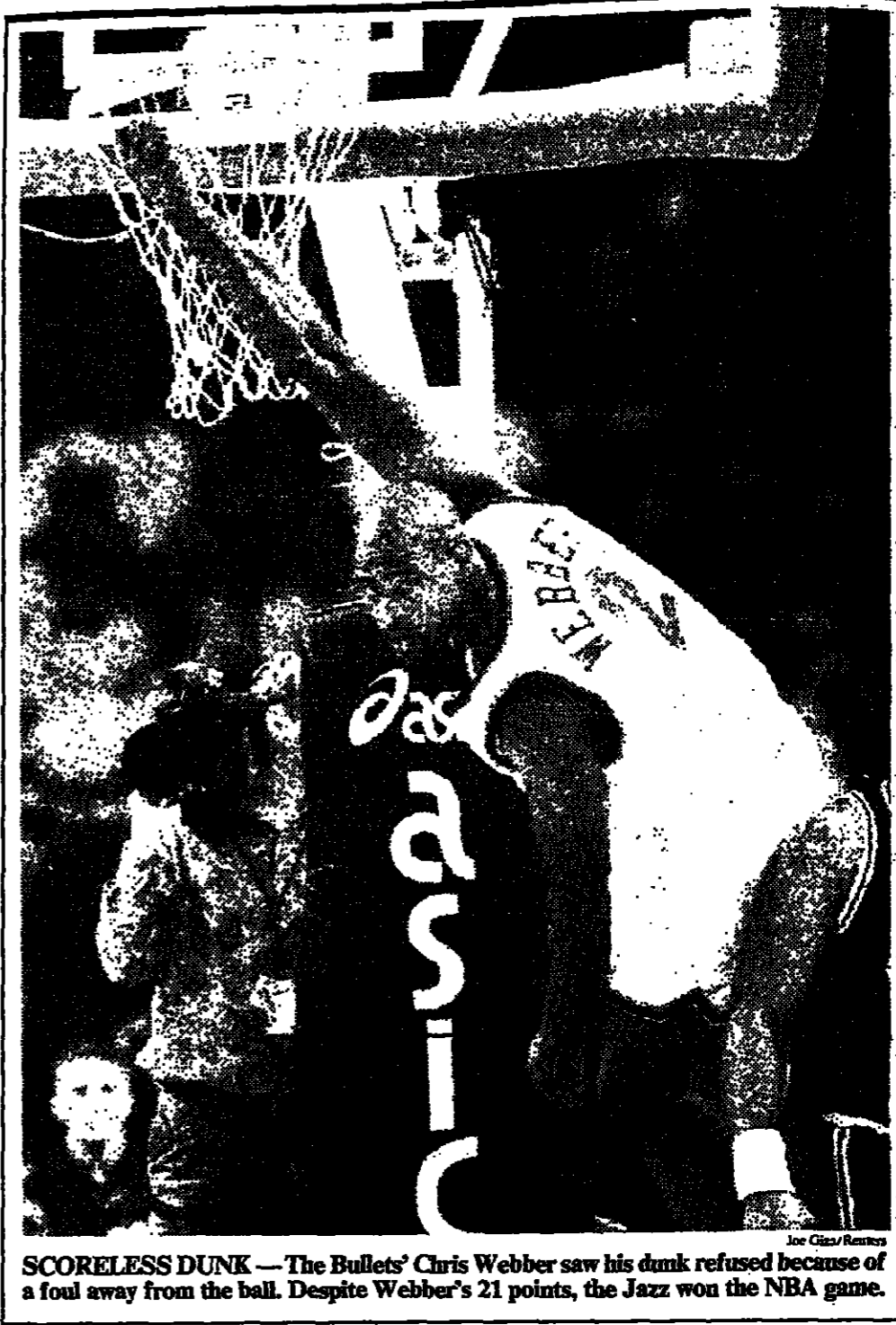
RAIDERS (8-6) AT SEAHAWKS (6-8): Key stats: The Seahawks average 133.9 yards rushing a game. No. 3 in the NFL. Terry McDaniel has seven of the team's 12 interceptions.

Comments: The Raiders, picked by many to make it to the Super Bowl this year, have been surging lately, winning four of their last five games. In the second week of the season when the Raiders were reeling, Seattle blasted them 38-9. Don't expect that to happen again. Raiders by 5 1/2.

COWBOYS (11-3) AT SAINTS (6-8): Key stats: The Saints defense has given up 27 TDs via the pass — the most in the NFL. Emmitt Smith has 20 rushing touchdowns — nine more than anyone else in the NFL.

Comments: Jim Everett has had an outstanding season, thanks to some good protection from his offensive line. That line will be tested by Dallas on Monday night. A good matchup to watch will be Charles Haley versus Willie Roaf, who has given up just four sacks in 29 starts. After missing two games with a knee injury, Troy Aikman appeared rusty in last week's loss to Cleveland. He'll be sharper against the Saints. Cowboys by 9 1/2.

These National Football League matchups were written by Timothy W. Smith of The New York Times. Odds were provided by Harrah's.



SCORELESS DUNK — The Bulls' Chris Webber saw his dunk refused because of a foul away from the ball. Despite Webber's 21 points, the Jazz won the NBA game.

Cowboys and 49ers Lead Pro Bowl Vote

Runners

NEW YORK — The Dallas Cowboys and San Francisco 49ers dominated voting for the National Football League Pro Bowl much as they have dominated opponents accounted for 20 spots on the 42-man National Football Conference squad.

Eleven members of the Eastern Division champion Cowboys and nine players from the Western Division champion 49ers were selected through balloting by players, coaches and fans for the game scheduled for Feb. 5 in Honolulu. The results were announced Thursday. (See Scoreboard)

Running back Emmitt Smith was among six Cowboys named as starters. Smith will be joined by guard Nate Newton, center Mark Stepnoski, safety Darren Woodson, defensive end Charles Haley and defensive tackle Leon Lett.

Other Cowboys selected included quarterback Troy Aikman, wide receiver Michael Ir-

vin, running back Darryl Johnston, tight end Jay Novacek and guard Mark Tuinei.

Quarterback Steve Young, the NFL's leading passer, was one of five 49ers named as starters. Two of Young's favorite targets, wide receiver Jerry Rice and tight end Brent Jones, were also selected, along with cornerback Deion Sanders and safety Merton Hanks.

The San Francisco reserves are safety Tim McDonald, center Bart Oates, guard Jesse Sapolu and defensive tackle Dana Stubblefield.

The Pittsburgh Steelers head the AFC roster with six selections, led by cornerback Rod Woodson. He was joined by linebackers Kevin Greene and Greg Lloyd. Safety Carnell Lake, guard Dorel Love and center Dermontti Dawson.

Five Minnesota Vikings were named to the NFC squad and the Miami Dolphins had five players selected for the AFC squad.

SCOREBOARD

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SPORTS

Double Debut: New Downhiller Wins Opener

Compiled by Our Staff From Dispatches
VAL D'ISERE, France — Josef Strobl of Austria made a stunning World Cup downhill debut Friday, streaking out of a late starting position to win the opening men's downhill of the season.

He raced in two giant slaloms last year with a best of 19th, but this was his first appearance in a World Cup downhill.

"I prefer the giant slalom but I have a feeling my best results will be in downhill this year," said Strobl, 20.

Starting 61st, he finished the Oreiller-Killy course in 1 minute, 57.30 seconds.

"I had a good start and went for it," he said. "I made a good run despite a little mistake at the bottom."

France's Luc Alphand was second in 1:57.41. Third was Günther Mader of Austria in 1:57.57, who edged his compatriot Patrick Ortlieb, 1:57.61.

Alphand held the lead for more than an hour after starting 11th.

It was the first time in the history of the World Cup that a skier has won the first downhill he has entered.

It was just Strobl's third World Cup race and only Piero Gros and Gustavo Thoeni of Italy have done better. Each won the first World Cup race they started, Thoeni in 1969 and Gros in 1972; both were giant slaloms at Val d'Isère.

Strobl gained four medals in five races at the junior world championships in 1993, winning the giant slalom and getting a silver medal in the downhill, and placing thirds in the super-G and combination.

He had the best time in training Thursday.

Ortlieb won the 1992 Olympic downhill in Val d'Isère but on a different course. He took



Austria's Josef Strobl made a stunning downhill debut on Friday, soaring from the 61st starting position to victory.

the opening super-G of the season last week in Tignes.

It was Alphand's second consecutive top three finish — he was third in the super-G at Tignes.

Despite Alphand's disappointment, it was a good day for the French, who had three men in the top 10.

Another downhill is scheduled Saturday, and a giant slalom Sunday.

"I am not going to do anything different," Strobl said, looking ahead. "A top 30 finish would be nice and a top 15 would be even better."

Alberto Tomba still leads the World Cup standings with 250 points. He does not race the downhill but is expected to compete in the giant slalom Sunday despite a bruised rib.

Ortlieb moved into second with 150 points. (AP, Reuters)

Weather Forces Changes

Lack of snow and mild weather in most European Alpine resorts forced the International Skiing Federation to reschedule men's and women's World Cup events on Friday, news agencies reported.

Two men's slaloms, which were to have taken place in Madonna di Campiglio in Italy and St. Anton in Austria, will now be staged in the Aus-

trian resort of Lech am Arlberg on Tuesday and Wednesday. A men's giant slalom will be held Thursday in the Italian resort of Alta Badia, the federation said.

In the women's World Cup, a giant slalom scheduled for the French resort of Morzine now moves to Alta Badia on Wednesday. A women's super-G, which was also set for Morzine, was not rescheduled.

(Reuters, AP)

Baseball Owners Put Off Imposition of Salary Cap

Teams Vote to Delay Move for a Week

By Murray Chass
New York Times Service

CHICAGO — Keeping their ultimate weapon hoisted for the second time in 16 days, major-league baseball club owners have voted to delay for another week their decision to declare a labor impasse and implement a salary cap.

The decision, reached in a 25-to-3 vote on Thursday, was contingent on the union's agreement to postpone two deadlines dealing with player contracts.

Donald Fehr, the union chief, said from New York that he would recommend to the players' executive board that the union agree to the postponements. That would establish the clubs' deadline for imposing their salary-cap proposal as Thursday.

If there is no resolution of the strike, Bud Selig, baseball's acting commissioner said, "Next Thursday or Friday morning at 12:01 A.M., the implementation process will begin."

The owners' vote Thursday gave the executive council, which Selig heads, the authority to implement the clubs' final offer, the salary cap they proposed Nov. 17.

Although Selig and John Harrington, chairman of the negotiating committee, emphasized that the owners acted solely in the interest of negotiating an agreement with the players, the decision raised the possibility at least that the owners became concerned that if they had acted Thursday, they would have been declaring an impasse in the talks prematurely.

When the clubs' negotiators left Rye Brook, New York, on Wednesday, they were in the middle of perhaps the most promising period of the talks since negotiations began six months ago.

If the owners had declared an impasse Thursday, they might have strengthened the union's challenge before the National Labor Relations Board.

An employer can declare an impasse in talks any time he chooses, but he has to be prepared to defend the action in the face of a union challenge.

The owners initially had scheduled the meeting to act on implementation for Dec. 5, but they emerged from a bargaining session on Nov. 30 and announced that they had agreed to postpone the meeting for 10 days to give negotiations additional time to work.

At the time, it appeared they had acted at the urging of Bill Ustery Jr., the mediator. But

some management people since have suggested that the owners themselves wanted to delay the meeting and the vote.

Although Ustery said last week that implementation would be "very, very unfortunate," Harrington said Thursday he had not asked the owners to delay their vote again.

Selig did not identify the three clubs that voted no, presumably on the issue of implementation not on a delay.

Peter Angelos of the Baltimore Orioles was on record as saying he would oppose implementation. The Toronto Blue Jays and the New York Mets were believed to be the other two clubs with negative votes.

The overwhelming majority of owners are eager to implement the salary cap if the two sides are unable to reach agreement on a new collective bargaining contract. But they don't want to put themselves at risk legally.

Fehr said it was positive that the owners were willing to continue negotiations without a salary cap in place.

He said the union would hold internal meetings during the weekend, then be prepared to resume negotiations Monday.

Talks had been stalled on the union's refusal to accept a salary cap or a luxury tax on payrolls that could act like a cap. The owners removed their latest tax plan, the one they made last Sunday in reply to a players' proposal 24 hours earlier, from the table Tuesday in Rye Brook.

But during a bargaining session late Tuesday into early Wednesday, the clubs' representatives, for the first time, indicated that they might have some flexibility on the way they would tax payrolls.

That idea caught the players' attention, and the two sides returned to talk Wednesday afternoon in a more hopeful manner.

But while the union offered seemingly conciliatory ideas on elements of the owners' revenue-sharing plan that is linked to a salary cap, it did not produce a proposal the owners' negotiators said they expected and were waiting for.

SIDELINES

Beckenbauer Assails 'Stupid Games'

BONN (Reuters) — The former German soccer star and coach Franz Beckenbauer said on Friday that forcing the German national team to play against nations such as Albania and Moldova was a slight.

Beckenbauer called on UEFA, European soccer's governing body, to end "these stupid games" and said smaller countries should play separate qualifiers in international competitions, allowing the "great" soccer nations to play against each other. Germany defeated Moldova 3-0 on Wednesday and faces Albania in on Sunday in a European Championship qualifying match.

"When I think of international matches, I imagine clashes with the great nations — Italy, England, the Netherlands," Beckenbauer wrote in the mass-circulation Bild newspaper. "But at the moment we have to wait two years before we meet these soccer greats. That's why games against countries like Moldova are a slight to the German national squad. They're just stupid."

Chinese Track Coach Ma Has Cancer

HONG KONG (AP) — Ma Junren, coach of China's record-breaking women runners, has told a Hong Kong newspaper he has throat cancer.

Ma, famed for his rigorous coaching methods and health potions, told the Eastern Express that doctors had ordered him to stop work. The newspaper quoted the coach, 51, as saying there had been no training for about a month. Ma's runners dominated last year's World Championships in Stuttgart and shattered the world 1,500-, 3,000- and 10,000-meter records a month later in Beijing.

For the Record

The 1998 World Cup budget has been provisionally set at 1.5 billion francs (\$277 million) by the soccer tournament's organizing committee in Paris. (AFP)

Howard Schmellenberger of Louisville, 60, has agreed to a four-year, \$2 million contract to be coach of the University of Oklahoma football team, television stations reported Friday. Oklahoma officials called a news conference later Friday. (AP)

NHL's 'Cloak-and-Dagger' Talks End After 2 Days

By Joe Lapointe
New York Times Service

NEW YORK — The secret subcommittees in the National Hockey League dispute met again at a secret place. It was the second consecutive day that the two small groups talked without Gary Bettman or Bob Goodenow in the room.

"Real cloak-and-dagger stuff," said a union executive, whispering and asking not to be identified. The talks ended late Thursday afternoon but could be reconvened on short notice, according to Arthur Pincus, a league spokesman.

The delegations were in contact with Bettman, the NHL commissioner, and Goodenow,

executive director of the NHL Players Association.

The negotiations were part of an attempt to end a lockout now 11 weeks old that threatens the entire season.

No one on either side was willing to reveal names. It is believed that the NHL delegation includes Jeff Pash, senior vice president and legal counsel, and Cliff Fletcher, president of the Toronto Maple Leafs; and that the union side includes John McCambridge and Bob Riley, two lawyers. There may be others.

If there is no new collective bargaining agreement in time to play a 50-game schedule and a full schedule of playoff games before July 1, Bettman has per-

mission from the 26 team owners to cancel the season.

Although no "drop-dead date" has been set, it is logical to extrapolate from the mandate of the Board of Governors on Monday that an agreement is necessary within two weeks.

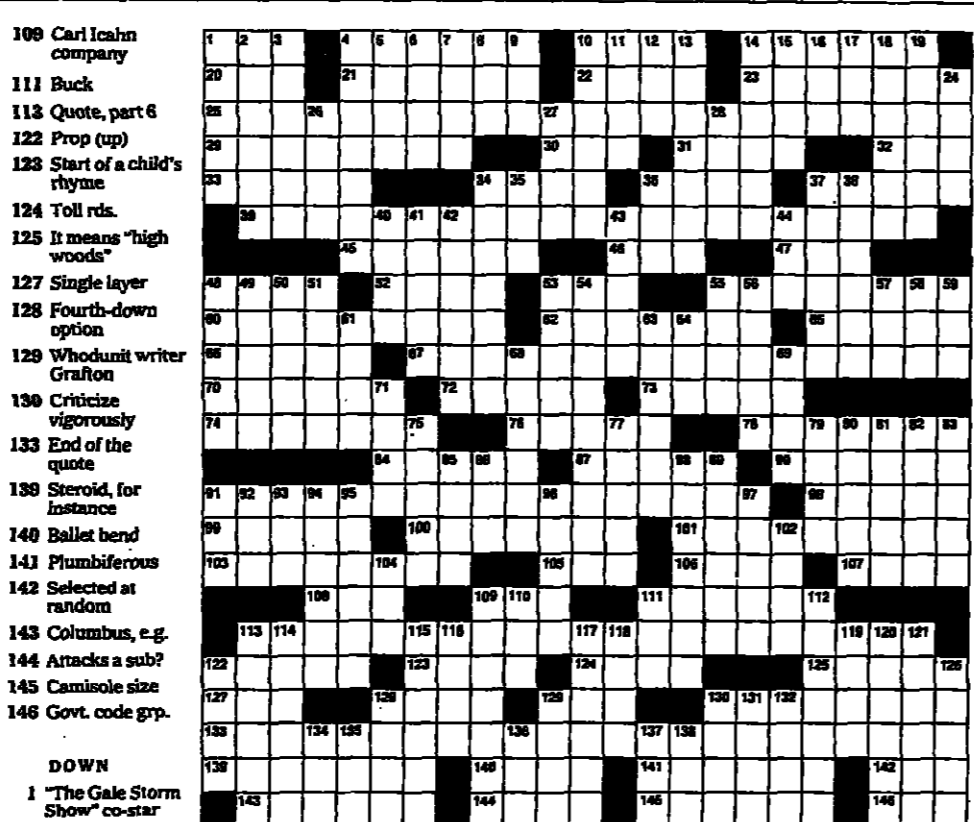
Some of the best-informed executives and agents in the business were not briefed about the talks, suggesting an air of sensitivity and gravity to the issues being discussed.

If progress is made in these lieutenant-level discussions, the full bargaining committees could be reconvened for formal sessions this weekend.

Formal negotiations broke off on Dec. 6 in Chicago.

WORKING TOGETHER By Manny Nosowsky & Bob Klahn

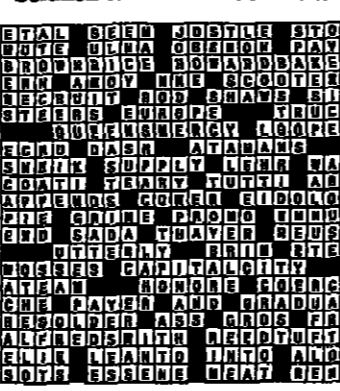
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10 In the thick of
11 Guff
12 Paris accord
13 Where Sibelius made his mark
14 1994 Elle Macpherson film
15 De novo
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18 Genghis's grandson
19 Gas-pump platform
24 Tilt for tat, perhaps
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50 Egg cake
51 Hit the dirt?
53 Husband of Medea
54 Count
55 Unload, so to speak
56 Sylvia Plath title
57 Flycatcher?
58 N.F.L. city: Abbr.
59 "Whoopie!"
61 Charles, to Elizabeth
63 Ollman—Pickers
64 Fell
68 Easily angered
69 Henry VI, founded it
71 Shute's "A—Like Alice"
75 Ship hard
- 77 — Rizzo of "Midnight Cowboy"
79 Writer Godwin
80 Like the furbark alphabet
81 Peace Nobel
82 Inclined
83 Doesn't wear out
85 Long
86 Elvis's record label
88 Moses' burden
89 Torrent
91 "—nuffit"
92 1964 Murray Schragal play
93 Get a load of this
94 Sterile bee
95 After a while
96 Price twice
97 Popular Civil War song
102 In case
104 Miss Clare of "Bleak House"
106 Old photo
110 Technique
111 Washington's stadium
112 Like most highways
113 To Sandburg, it comes on little cat feet
- 114 French painter Daumier
115 National Cartoonists Society award
116 It's put before Descartes
117 Chopin's "Twelve Grand"
118 "Well"-financed G.P.
119 Final notice
120 Heracles, e.g.
121 Authors Arya and Ernest
122 Persian pool-bah
- 126 Raskolnikov's love in "Crime and Punishment"
128 Baseball's Alejandro
129 Huff
130 Highball it
131 Autobahn auto
132 "—a song—"
134 D.D.E.'s Veep
135 Bill's companion
136 1941 Pulitzer winner Winslow
137 The Eiger, e.g.
138 "To Kill a Mockingbird" author

Solution to Puzzle of Dec. 10-11



Els Takes Lead In Last Event Of Golf Season

Ernie Els of South Africa watching a shot on the 18th green during the opening round of the season-ending Johnnie Walker World Championship in Montego Bay, Jamaica. Els, the 1994 U.S. Open champion, shot a seven-under par 64 to take a three-stroke lead over Nick Faldo and Colin Montgomerie of Britain and the American Mark McCumber. Els's 64, which included a four-putt double bogey, tied the record for the 6185-meter (6,760-yard), par-71 Tryall course, where the event has been played since it began in 1991.

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(Continued From Page 13)

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TO OUR READERS IN BERLIN

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DAVE BARRY

Into the Wild Blue Yonder

MIAMI — Here's what I want you to do: Open your mouth wide. Now take your index finger and stick it WAAAAAY down your throat and hold it there until your digestive system is in Violent Reverse Thrust Mode.

Congratulations! You've just experienced what it feels like to fly in a fighter jet. I know this because I recently went up in a high-performance Air Force F-16 fighter equipped with an extremely powerful engine, sophisticated electronics, spectacular aerodynamic capabilities and — thank God — a barf bag.

There was no beverage cart service.

The way I got into this was, I spoke at a banquet for personnel at the Homestead (Florida) Air Reserve Base, which is slowly recovering after having had large sectors of it blown into another dimension by Hurricane Andrew. A banquet organizer had suggested that I might want to go up in an F-16, and some friendly fighter pilots from the 93d Fighter Squadron convinced me (there WAS beverage service at this banquet) that this would be a lot of fun.

I was feeling brave when I arrived at Homestead Air Reserve Base, ready for my preflight training. Friendly Air Force personnel got me a flight suit; while I was putting it on in the locker room, I noticed that there was a little gold plaque over each urinal, each saying something like, "MAJOR GENERAL [Name] RELIEVED HIMSELF HERE SEPT. 9, 1989." Then I noticed similar gold plaques over the sinks. Then I saw a plaque on the washing machine, reading: "THE ENTIRE 906TH TACTICAL FIGHTER GROUP RELIEVED THEMSELVES HERE MARCH 8, 1991."

Fighter pilot humor.

Next I underwent an hour of egress training, which is when you learn how you get out of the airplane if something goes wrong ("although probably nothing will," they keep telling you). How you get out is: very, very fast. In fact, your seat is actually a small but powerful rocket that will blast you 900 feet straight up if you yank on the yellow handle between your legs, but you're supposed to do this only if the pilot yells BAIL OUT BAIL OUT BAIL OUT — he has to say it three times — and you definitely want to have your head back when you yank it unless you want your kneecaps to pass completely through your eye sockets, which would be bad because

you need to check to make sure your parachute has deployed, because if it hasn't you should yank on this other yellow lever over here, and if you're coming down over water, you need to inflate your life preserver by pulling on these two red knobs, but first you have to get rid of your oxygen mask by pressing outward on these two metal tabs and yanking the mask forward and . . .

After egress training, the pilot, Major Derek Rydholm, gave me a preflight briefing in which he demonstrated, using a blackboard eraser, some of the aerial maneuvers we'd be doing.

"We'll be simulating an attack situation like this," he'd say, moving the eraser around in rapid little arcs. "We'll be feeling some G-forces."

I now realize that, right after we left the briefing room, the eraser threw up.

Actually, my F-16 ride went pretty well at first. Sitting behind Derek in the two-person cockpit, I felt nervous, but my physical discomfort was fairly minor.

Then we took off.

We took off with afterburners. Then we made an unbelievably sudden, violent right turn that made me feel like a clove in a giant garlic press and separated my stomach from the rest of my body by at least two football fields.

After that we did attack maneuvers. We did rolls. We broke the sound barrier and then flew straight up for three miles. Then we flew upside down. My stomach never caught up with us. It's still airborne over the Florida Keys, awaiting landing instructions. Here's the conversation Derek and I had over the intercom:

DEREK: That's called an aileron roll.

ME: BLEAAARRGGGGH.

DEREK: You O.K. back there?

ME: HOOOGGGGGHHH.

I'm not saying it wasn't thrilling. It was. I am deeply indebted to Derek Rydholm and the 93d Fighter Squadron for enabling me to be among the very few people who can boast that they have successfully lost their lunch upside down at five times the Earth's gravitational pull. And despite my discomfort, I can honestly say that, if I ever get a chance to go up again, I'll let you go instead. Although you probably won't get to ride in the plane I used. I think they had to burn it.

Knight-Ridder Newspapers

Sellars's Shakespeare, a Modern Playwright

International Herald Tribune

PARIS — What news on the Rialto? Quite a lot, since Peter Sellars is in charge. Shylock asks this famous question over the telephone and it is later reprised by Salanio and Salarino as newscasters. Venice is now Venice, California, and Belmont, where the rich live, is Bel Air. Portia, who lives in Belmont, is a Chinese-American who probably led her class at business school. Bassanio, her

MARY BLUME

fortune-hunting suitor, is Latino and so is Antonio, the merchant, who is also Bassanio's lover. Shylock is black, the judge is white. There are videos and a touch of rap but the production, Sellars says, is exactly as Shakespeare saw "The Merchant of Venice": a disquieting view of an exploitive society where everyone is out for the main chance without being certain what that chance is.

"By the time these people have lied to each other so many times, who can trust whom, whom do you believe at the end? I think Shakespeare's point is once you've tolerated a certain level of social injustice and have been able to lie in court — he's so sharp with this, nobody ever lies completely, they just don't tell the truth! — you have shut down that corner of your heart that is really empathetic and desires social justice. Once you novacane that part of you, it doesn't bode well for your marriage either."

The reconciliation of the young spouses at the play's end is a misreading, Sellars says: this is a play about how "This is a guy who knows how to write happy endings, this is a guy who can say 'If we shadows have offended, think but this and all is mended,' this is the guy who knows how to send audiences out of the theater happy, calm, who can open up the biggest heart in the world and create a sense that we've been through hell but now it's going to be O.K."

Instead, says Sellars, Shakespeare deliberately ends the play at the darkest hour of the night, his characters eaten by self-destructive pain. One can argue about his Shylock — though he is played with irony and grace by Paul Butler — that to make the Jew black is to diminish two very different historic tragedies by equating them (and on this point Sellars is more plausible than convincing), but perhaps his best interpretation is of Shylock's



Sella

"Classics step out of their time," Peter Sellars says.

daughter, Jessica, usually a dead-end role. In Sellars's view she is an airhead runaway who really thinks she will find acceptance outside the ghetto by robbing her father and betraying her faith, finding only further humiliation instead.

"How did it feel to kill your father?" a clever high school student asked the actress who plays Jessica in Chicago, where the play opened before leaving on a European tour. Sellars organized many illuminating post-performance talks with students and hopes to film his "Merchant of Venice" for use in high schools. His adult audiences in Chicago for the midwestern American elections, which took place while they were in Chicago, confirmed his reading of the play.

"Everything that that election expressed was out in the lobby and looking for their car during the fifth act," he said laughing. Only his Shylock, Antonio and the judge are of a certain age; the others are in their 20s and Sellars feels audiences were rejecting their responsibilities to the young.

"I am very impressed how you can convince people to vote against their children's health and education and for advancing the profits of the top 4 percent of the population," he said heavily. "It's just incredible to me."

Sellars has been praised for making Shakespeare meaningful, a ghastly way of patronizing them both. It is a lot simpler: Sellars regards Shakespeare as a modern playwright.

"That's the definition of a classic, something that is not a classic has to be treated only in the context of the moment when it was created. I wouldn't treat an opera by Puccini the way I would treat an opera by Mozart. I think Ben Jonson would need all the bric-a-brac of the contemporary scene to make his presence felt."

The classics, he says, deliberately step out of their own time, creating anachronisms. "Shakespeare goes out of his way to create a situation that for him was not an historical setting and so I feel obliged to follow the same strategy when presenting him."

WEATHER

Europe

	Today	High	Low	W	High	Low	W	High	Low
Algeria	15/25	15	25	15	15	25	15	15	25
Austria	6/13	6	13	6	6	13	6	6	13
Azerbaijan	3/27	3	27	3	3	27	3	3	27
Bulgaria	12/25	12	25	12	12	25	12	12	25
Croatia	16/21	16	21	16	16	21	16	16	21
Czech Rep.	10/18	10	18	10	10	18	10	10	18
Denmark	10/18	10	18	10	10	18	10	10	18
Egypt	23/27	23	27	23	23	27	23	23	27
France	14/20	14	20	14	14	20	14	14	20
Germany	10/18	10	18	10	10	18	10	10	18
Greece	16/21	16	21	16	16	21	16	16	21
Hungary	10/18	10	18	10	10	18	10	10	18
Italy	14/20	14	20	14	14	20	14	14	20
Japan	16/21	16	21	16	16	21	16	16	21
Korea	10/18	10	18	10	10	18	10	10	18
Malaysia	23/27	23	27	23	23	27	23	23	27
Philippines	23/27	23	27	23	23	27	23	23	27
Russia	10/18	10	18	10	10	18	10	10	18
Saudi Arabia	23/27	23	27	23	23	27	23	23	27
Spain	14/20	14	20	14	14	20	14	14	20
Switzerland	10/18	10	18	10	10	18	10	10	18
Taiwan	23/27	23	27	23	23	27	23	23	27
Thailand	23/27	23	27	23	23	27	23	23	27
UK	10/18	10	18	10	10	18	10	10	18
USA	10/18	10	18	10	10	18	10	10	18
Vietnam	23/27	23	27	23	23	27	23	23	27

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

	Today	High	Low	W	High	Low	W	High	Low
Bangkok	23/27	23	27	23	23	27	23	23	27
Beijing	10/18	10	18	10	10	18	10	10	18
Bombay	23/27	23	27	23	23	27	23	23	27
Hong Kong	23/27	23	27	23	23	27	23	23	27
Kuala Lumpur	23/27	23	27	23	23	27	23	23	27
Manila	23/27	23	27	23	23	27	23	23	27
Moscow	10/18	10	18	10	10	18	10	10	18
New Delhi	23/27	23	27	23	23	27	23	23	27
Osaka	10/18	10	18	10	10	18	10	10	18
Seoul	10/18	10	18	10	10	18	10	10	18
Singapore	23/27	23	27	23	23	27	23	23	27
Taipei	23/27	23	27	23	23	27	23	23	27
Tokyo	10/18	10	18	10	10	18	10	10	18
Tybee	9/44	9	44	9	9	44	9	9	44

	Today	High	Low	W	High	Low	W	High	Low
Algeria	15/25	15	25	15	15	25	15	15	25
Angola	23/27	23	27	23	23	27	23	23	27
Botswana	23/27	23	27	23	23	27	23	23	27
Burkina Faso	23/27	23	27	23	23	27	23	23	27
Burundi	23/27	23	27	23	23	27	23	23	27
Cameroon	23/27	23	27	23	23	27	23	23	27
Cape Verde	23/27	23	27	23	23	27	23	23	27
Chad	23/27	23	27	23	23	27	23	23	27
Cote d'Ivoire	23/27	23	27	23	23	27	23	23	27
DRC	23/27	23	27	23	23	27	23	23	27
Egypt	23/27	23	27	23	23	27	23	23	27
Ethiopia	23/27	23	27	23	23	27	23	23	27
Ghana	23/27	23	27	23	23	27	23	23	27
Guinea	23/27	23	27	23	23	27	23	23	27
Kenya	23/27	23	27	23	23	27	23	23	27
Lesotho	23/27	23	27	23	23	27	23	23	27
Liberia	23/27	23	27	23	23	27	23	23	27
Madagascar	23/27	23	27	23	23	27	23	23	27
Mali	23/27	23	27	23	23	27	23	23	27
Morocco	15/25	15	25	15	15	25	15	15	25
Mozambique	23/27	23	27	23	23	27	23	23	27
Niger	23/27	23	27	23	23	27	23	23	27
Nigeria	23/27	23	27	23	23	27	23	23	27
Rwanda	23/27	23	27	23	23	27	23	23	27
Senegal	23/27	23	27	23	23	27	23	23	27
Sierra Leone	23/27	23	27	23	23	27	23	23	27
South Africa	15/25	15	25	15	15	25	15	15	25
Swaziland	23/27	23	27	23	23	27	23	23	27
Tanzania	23/27	23	27	23	23	27	23	23	27
Togo	23/27	23	27	23	23	27	23	23	27
Tunisia	15/25	15	25	15	15	25	15	15	25
Zambia	23/27	23	27	23	23	27	23	23	27
Zimbabwe	23/27	23	27	23	23	27	23	23	27

Legend: s-punny, pc-cloudy, c-cloudy, s-showers, h-hundstorms, r-rain, s-snow, B-Burris, an-snow, H-Hot. All temps, forecasts and date provided by Accu-Weather, Inc. © 1994

North America

New York City and Washington, D.C., may have some snow or flurries Sunday, then Monday and Tuesday will be dry and cool. Flurries are possible in Chicago and Toronto Sunday and again Sunday with dry weather. Monday, Los Angeles will be dry through the weekend and Monday.

Europe

London will have some showers Sunday, then cool and generally dry weather with only next week's showers will spread across portions of France and Germany late Sunday into Monday. Spain will have a cool, dry, and showers are possible in Italy early next week.

Asia

Some rain is possible in Tokyo early next week while generally dry most of the weather pattern from Korea to Hong Kong, most of Southeast Asia will also have dry weather. A few widely separated showers, more numerous showers will occur over Malaysia.

Africa

Most of the continent will have dry weather. A few widely separated showers, more numerous showers will occur over Malaysia.

North America

	Today	High	Low	W	High	Low	W	High	Low
Anchorage	-7/20	-7	20	-8	-8	14	-4	-4	16
Atlanta	14/21	14	21	14	14	21	14	14	21
Boston	14/21	14	21	14	14	21	14	14	21
Buffalo	6/13	6	13	6	6	13	6	6	13
Chicago	6/13	6	13	6	6	13	6	6	13
Denver	15/25	15	25	15	15	25	15	15	25
Detroit	6/13	6	13	6	6	13	6	6	13
Honolulu	26/32	26	32	26	26	32	26	26	32
Houston	20/38	20	38	20	20	38	20	20	38
Los Angeles	26/32	26	32	26	26	32	26	26	32
Manila	26/32	26	32	26	26	32	26	26	32
Montreal	10/18	10	18	10	10	18	10	10	18
New York	10/18	10	18	10	10	18	10	10	18
Phoenix	26/32	26	32	26	26	32	26	26	32
Portland	10/18	10	18	10	10	18	10	10	18
San Francisco	10/18	10	18	10	10	18	10	10	18
Seattle	10/18	10	18	10	10	18	10	10	18
Toronto	10/18	10	18	10	10	18	10	10	18
Vancouver	10/18	10	18	10	10	18	10	10	18

South America

	Today	High	Low	W	High	Low	W	High	Low
Buenos Aires	10/18	10	18	10	10	18	10	10	18
Caracas	10/18	10	18	10	10	18	10	10	18
La Paz	10/18	10	18	10	10	18	10	10	18
Lima	10/18	10	18	10	10	18	10	10	18
Medellin	10/18	10	18	10	10	18	10	10	18
Montevideo	10/18	10	18	10	10	18	10	10	18
Quito	10/18	10	18	10	10	18	10	10	18
Rio de Janeiro	10/18	10	18	10	10	18	10	10	18
Santiago	10/18	10	18	10	10	18	10	10	18
Sao Paulo	10/18	10	18	10	10	18	10	10	18
Valparaiso	10/18	10	18	10	10	18	10	10	18

Middle East

	Today	High	Low	W	High	Low	W	High	Low
Bahia	16/21	16	21	16	16	21	16	16	21
Beirut	16/21	16	21	16	16	21	16	16	21
Damascus	16/21	16	21	16	16	21	16	16	21
Jerusalem	16/21	16	21	16	16	21	16	16	21
Luxor	16/21	16	21	16	16	21	16	16	21
Riyadh	27/30	27	30	27	27	30	27	27	30

Latin America

	Today	High	Low	W	High	Low	W	High	Low
Buenos Aires	20/38	20	38	20	20	38	20	20	38
Caracas	20/38	20	38	20	20	38	20	20	38
La Paz	20/38	20	38	20	20	38	20	20	38
Lima	20/38	20	38	20	20	38	20	20	38
Medellin	20/38	20	38	20	20	38	20	20	38
Montevideo	20/38	20	38	20	20	38	20	20	38
Quito	20/38	20	38	20	20	38	20	20	38
Rio de Janeiro	20/38	20	38	20	20	38	20	20	38
Santiago	20/38	20	38	20	20	38	20	20	38
Sao Paulo	20/38	20	38	20	20	38	20	20	38
Valparaiso	20/38	20	38	20	20	38	20	20	38